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Market Research Division
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New York

Footwear
(Men's, Women's, Boys' and Girls')

FAIRCHILD FACT FILE

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FOOTWEAR
(MEN'S, WOMEN'S, BOYS' AND GIRLS')

EXECUTIVE SUMMARY

U.S. consumers spent about $31 billion on footwear in 1990, registering a 3.3% increase over 1989. 38.4% of these purchases were for athletic shoes, down from 48% in 1990, according to Footwear Market Insights (FMI).

Size of the Market - Retail: 1990

	Quantity (mil. of pairs)	Value (billions of $)	Percent Change 1990/89 Quantity	Percent Change 1990/89 Value
Men's	264	$12.4	-2.6%	5.1%
Women's	542	15.3	1.5	4.8
Juvenile*	185	3.4	1.1	6.3
TOTAL	991	31.1	0.3	5.1

*Combination of Boys', Girls' and Infants' market share

The largest percentage of all shoe sales were made in discount stores in 1990, according to FMI. Sporting goods stores were the second most popular outlet shopped by men, while department stores were the second most popular outlet for women.

Footwear Industries of America, based on Census Bureau Data, reported that:

> U.S production of both non-rubber and rubber footwear types declined during the first half of 1991 compared to the same period in 1990. Pairs of non-rubber shoes dropped 18.3%, while pairs of rubber shoes fell 2.9%.
>
> U.S. imports of non-rubber footwear decreased 1.7%, to 445.7 million pairs, for the six months of 1991 compared to 1990. Imports of rubber/fabric footwear also fell 8.7%, to 118.5 million pairs during this period.
>
> During the first half of 1991, U.S. exports of non-rubber footwear was down 2.1% over 1990, while rubber/fabric shoe exports grew 1.9%. Mexico, Canada and Japan remained the major recipients of U.S. footwear.

China remained the number one source of U.S. non-rubber footwear imports, accounting for 41% of the shoe import market in the first seven months of 1991, according to the U.S. Commerce Department.

Consumer prices for all footwear rose 2.5% in June 1991 over June 1990. The largest increase of 3.3% occurred in the women's shoe category, according to the Bureau of Labor Statistics.

Employee levels in both non-rubber and rubber footwear plants declined 11.1% and 0.9% respectively, in 1990 versus 1989, as reported by the U.S. Bureau of Labor Statistics.

MARKET TRENDS

A weak economy continued to negatively effect the U.S. footwear business in 1990 and into 1991, as production and employment levels declined, and unit retail sales of shoes overall remained flat. Shoe imports, which accounted for approximately 83% of U.S. shoe sales in 1990, has also continued to bite into sales of shoes made in America. Import penetration is expected to be even higher in 1991 than the level attained in 1990, according to the International Trade Commission.

Despite current market conditions, shoe manufacturers and retailers are anticipating slight improvements in their sales levels in the near future. Many have begun to utilize computer technology to shorten production time and costs, track inventory levels, and improve market response, according to Footwear News. In an effort to encourage consumers to buy more, many have also begun to offer their customers a wider range of styles, and have maintained a continuous flow of merchandise throughout the seasons.

The casual or comfort shoe category has been experiencing tremendous growth, and has come to represent a substantial segment of the shoe business. Comfort has become the key buying influence in men's and women's footwear, outstripping fit, price and even style, according to Footwear Market Insights, and in turn, shoes with features such as soft soles and cushioned insoles have become very popular.

In response to the consumer demand for comfortable shoes, a redefined market has emerged, consisting of footwear that combines athletic construction with the styling of fashion footwear, according to Footwear News. This new transitional category has created opportunities for traditional shoe companies to regain some of the business that was taken from them by the giant athletic companies for so many years. Even some of the athletic firms have debuted casual shoe lines to satisfy this market, while others remain skeptical as to the longevity of this casual trend.

Even though consumers have been shifting some of their buying dollars to this new comfort segment, athletic footwear still accounts for a significant share of the footwear industry. Sales of athletic shoes reached $11.9 billion in 1990, 10% higher than in 1989, although units grew just 1%. A slowdown in growth to just 6%, is projected for 1991, by the Sporting Goods Manufacturers Association, as the category shows signs of peaking, to become mainly a replacement business. Athletic shoes' share of the footwear market overall, remained stagnant at 40% in 1990, with Nike, Reebok, and L.A. Gear still the top players in the industry, together accounting for 62.6% of the market.

According to Footwear Market Insights, almost half (46.5%) of the entire athletic shoe market is for non-performance footwear or "sneakers". Large selections of canvas vulcanized casuals, and canvas sneakers have begun to be offered by many shoe companies, in an attempt to capture a piece of this large market.

The top performance categories in 1990 were running shoes, walking shoes, aerobics/fitness shoes, and basketball shoes. Strong growth is projected to continue for these footwear types. A pick up in sales of tennis shoes is also expected, compared to previous years, as sales of cross-trainers slow down.

MARKET TRENDS (continued)

The pump is starting to slip as the major silhouette in the women's dress shoe category, and opened-up styles, such as sandals, are making a breakthrough. The dress shoes' category in general is expected to make a comeback, according to FMI, and should regain its lead in the women's marketplace by the year 2000.

Other shoe categories that have become popular in men's, women's and children's segments, include rugged footwear of all types, such as hikers, trekking boots, and rugged walkers. Western-style boots have also made a comeback, and are currently as popular in Europe as they are in America.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The U.S. Bureau of the Census compiles detailed industry information every five years in the Census of Manufactures, the latest of which covered the year 1987. In intercensal periods, the Bureau conducts annual surveys among samples of manufacturers to provide estimates on key measurements of manufacturing activity. Statistics from 1988 were obtained from the 1988 Annual Survey of Manufactures.

In addition, the International Trade Administration (U.S. Department of Commerce), issues an annual U.S. Industrial Outlook report, which gives projections on industry trends based on Census Bureau compilations.

Estimated footwear industry shipments (which include all products, both primary and secondary, made in plants in the specified industry classification, plus miscellaneous receipts and contract work) were given in constant 1987 dollars eliminating the effects of inflation. The 1991 forecast shows a 2.8% decline in shipments of nonrubber footwear, with house slipper shipments falling 4.1%, and both men's and women's footwear shipments dropping 4% and 3% respectively, compared with 1990 estimates. Shipments of rubber/plastics footwear are projected to grow just 0.5%.

Industry Profile

Value of Footwear Industry Shipments: 1989-1991
(Constant 1987 dollars, in millions)

				% Change	
	1991(f)	1990(e)	1989(e)	1991/90	1990/89
Non-rubber footwear	$3,411	$3,509	$3,915	-2.8%	-10.4%
House slippers	187	195	232	-4.1	-15.9
Men's footwear	1,603	1,669	1,931	-4.0	-13.6
Women's footwear	1,103	1,137	1,224	-3.0	-7.1
Footwear, n.e.c.	518	508	529	2.0	-4.0
Rubber/plastics footwear	582	579	574	0.5	0.9

(f) forecast
(e) estimate

Source: U.S. Department of Commerce,
International Trade Administration:
1991 U.S. Industrial Outlook

GENERAL INDUSTRY STATISTICS

Industry Profile (continued)

The U.S. Manufacturing Industry By Type of Footwear: 1982, 1987, 1988

	1988	1987	1982	% Change 1988/87
NON-RUBBER FOOTWEAR, TOTAL (SIC 314*)				
Number of companies	nr	386#	570#	--
Number of establishments##	475	483	767	-1.7%
With 20 or more employees	310	318	865	-2.5
All employees (thous.)	70.4	71.1	122.1	-1.0
Production workers (thous.)	61.6	62.2	112.6	-1.0
Payroll (mil. $)	924.2	$ 913.0	$1,233.4	1.2
Value added by manufacture (mil.$)**	$2,171.7	$2,152.5	$2,768.1	0.9
Value of industry shipments (mil. $)***	$4,258.1	$4,072.6	$5,194.7	4.6
Capital expenditures, new (mil. $)	$ 39.0	$ 38.0	$ 64.8	2.6
MEN'S FOOTWEAR, EXCEPT ATHLETIC (SIC 3143*)				
Number of companies	nr	110	129	--
Number of establishments##	154	154	203	0.0
With 20 or more employees	115	111	159	3.6
All employees (thous.)	31.0	31.6	46.5	-1.9
Production workers (thous.)	26.9	27.5	40.7	-2.2
Payroll (mil. $)	$ 438.0	$ 434.1	$ 503.1	0.9
Value added by manufacture (mil.$)**	$1,093.6	$1,046.7	$1,101.4	4.5
Value of industry shipments (mil. $)***	$2,168.0	$2,104.8	$2,261.4	3.0
Capital expenditures, new (mil. $)	$ 17.4	$ 17.4	$ 28.3	0.0
WOMEN'S FOOTWEAR, EXCEPT ATHLETIC (SIC 3144*)				
Number of companies	nr	122	209	--
Number of establishments##	156	163	293	-4.3
With 20 or more employees	113	123	226	-8.1
All employees (thous.)	26.1	26.6	48.4	-1.9
Production workers (thous.)	23.3	23.7	43.4	-1.7
Payroll (mil. $)	$ 320.2	$ 320.0	$ 483.1	0.1
Value added by manufacture (mil.$)**	$ 716.2	$ 755.8	$1,107.0	-5.2
Value of industry shipments (mil. $)***	$1,373.5	$1,316.0	$1,933.2	4.4
Capital expenditures, new (mil. $)	$ 12.4	$ 11.3	$ 20.2	9.7
HOUSE SLIPPERS (SIC 3142*)				
Number of companies	nr	34	65	--
Number of establishments##	37	37	78	0.0
With 20 or more employees	20	23	55	-13.0
All employees (thous.)	3.8	3.7	8.1	2.7
Production workers (thous.)	3.0	3.0	11.7	0.0
Payroll (mil. $)	$ 52.6	$ 50.3	$ 54.5	4.6
Value added by manufacture (mil.$)**	$133.1	$132.9	$108.8	0.2
Value of industry shipments (mil. $)***	$244.3	$232.5	$201.2	5.1
Capital expenditures, new (mil. $)	$ 4.1	$ 2.7	$ 2.3	51.9

(continued)

GENERAL INDUSTRY STATISTICS

Industry Profile (continued)

The U.S. Manufacturing Industry By Type of Footwear: 1982, 1987, 1988
(continued)

	1988	1987	1982	% Change 1988/87
FOOTWEAR, EXCEPT RUBBER, NOT ELSEWHERE CLASSIFIED (SIC 3149*)				
Number of companies	nr	120	167	--
Number of establishments##	115	129	193	-10.9%
With 20 or more employees	58	61	107	-4.9
All employees (thous.)	9.5	9.2	19.1	3.3
Production workers (thous.)	8.4	8.0	16.8	5.0
Payroll (mil. $)	$113.4	$108.6	$192.7	4.4
Value added by manufacture (mil.$)**	$228.8	$217.2	$450.9	5.3
Value of industry shipments (mil. $)***	$472.3	$419.3	$798.9	12.6
Capital expenditures, new (mil. $)	$ 5.1	$ 6.6	$ 14.0	-22.7
RUBBER/PLASTICS FOOTWEAR (SIC 3021*)				
Number of companies	nr	55	53	--
Number of establishments##	67	65	65	3.1
With 20 or more employees	39	38	40	2.6
All employees (thous.)	11.7	10.9	17.6	7.3
Production workers (thous.)	9.9	9.1	15.0	8.8
Payroll (mil. $)	$160.2	$153.3	$196.5	4.5
Value added by manufacture (mil.$)**	$315.8	$315.8	$360.1	0.0
Value of industry shipments (mil. $)***	$582.7	$557.2	$706.2	4.6
Capital expenditures, new (mil. $)	$ 11.7	$ 9.4	$ 12.4	24.5
BOOT & SHOE CUT STOCK & FINDINGS (SIC 3131*)				
Number of companies	nr	113	149	--
Number of establishments##	127	127	161	0.0
With 20 or more employees	58	57	80	1.8
All employees (thous.)	4.5	5.0	6.8	-10.0
Production workers (thous.)	3.8	4.3	5.7	-11.6
Payroll (mil. $)	$ 66.0	$ 69.6	nr	-5.2
Value added by manufacture (mil.$)**	$128.0	$141.4	$154.7	-9.5
Value of industry shipments (mil. $)***	$321.7	$324.1	$367.8	-0.7
Capital expenditures, new (mil. $)	$ 2.5	$ 3.3	$ 6.0	-24.2

nr not reported

# The company counts reported for individual components of the footwear industry are not additive, as these counts cover the number of companies operating plants classified (on the basis of major product) in a specified component, and companies may, therefore, be counted in more than one segment.

GENERAL INDUSTRY STATISTICS

Industry Profile (continued)

## Each manufacturing location is counted as a separate establishment (plant). Auxiliary locations (such as sales offices, warehouses, etc.) are not included in the above table. (1988 figures on the number of establishments in each industry was obtained from the 1988 County Business Patterns.)

* Manufacturing plants are classified by industry under the Standard Industrial Classification (SIC) System determined by the principal product, as shown below. (SIC 314 is a composite of industries in SIC 3142, -43, -44, -49). Data is reported on the basis of the newly revised SIC system.

1987 Industry SIC Definitions:

SIC 3143	Establishments primarily engaged in the production of men's dress and casual shoes, boots and work shoes--much of these are all leather. Also includes orthopedic shoes, except extension shoes.
SIC 3144	Establishments primarily engaged in the production of women's dress and casual shoes, and boots. Much of the footwear produced by these plants is primarily of leather. Also includes orthopedic, except extension shoes.
SIC 3142	Establishments primarily engaged in the production of house slippers made of leather or other materials. Slipper socks are included in this industry, if made from purchased socks.
SIC 3149	.Establishments primarily producing footwear not classified in the above industries or in SIC 3021 (rubber and plastic). Included in SIC 3149 are shoes for infants and babies, children, misses, youths and boys. Also included are athletic shoes (except rubber), theatrical shoes, and moccassins.
SIC 3021	Establishments primarily engaged in manufacturing fabric upper footwear having rubber or plastic soles attached to the uppers. Also includes rubber soled canvas shoes, rubber sandals and slippers, and rubber and plastic protective footwear such as boots, rubbers, galoshes, (designed to be worn as a protection against water, oil, chemicals, cold weather, etc.)
SIC 3131	Establishments primarily engaged in manufacturing leather soles, inner soles, and other boot and shoe cut stock findings. This industry also includes finished wood heels. It does not include manufacturers of shoe findings made of rubber, plastic, or fiber.

(continued)

Industry Profile (continued)

** Value added by manufacture is derived by subtracting the cost of finished products, materials, supplies, fuel, contract work, etc., from the value of shipments (including resales of finished products) plus the net change in the value of finished products and work-in-process inventories between the beginning and end of the year, without adjustment for price changes.

*** Value of industry shipments represents the total value of shipments of all establishments classified in the specified industry. The data includes the shipments of products classified in the industry (primary to the industry), products classified in other industries (secondary to the industry), and miscellaneous receipts (repair work, research and development, resales, etc.) This should be clearly distinguished from the specific value of footwear shipments by all manufacturers, including both primary and secondary producers which are classified in other industries. The value is covered in PRODUCT SHIPMENTS. (Values refer to received or receivable net selling values, f.o.b. plant, exclusive of freight and taxes, etc.)

Source: U.S. Bureau of the Census:
1988 Annual Survey of Manufactures,
1987 Census of Manufactures,
Industry Series (MC87-1-30A, 31A)

Explanation of other terms used in this Fact File:

Non-rubber footwear: Includes shoes, boots and slippers made by "conventional" processes, such as cemented, welted, slip-lasted, etc., and shoes with rubber sole vulcanized to leather uppers. (Footwear covered in SIC 314)

Rubber/plastic footwear: Footwear with rubber or plastic soles and fabric uppers, such as sneakers, and rubber or plastic protective footwear. (SIC 302)

Sizes:
Men's shoes: sizes 6 and over, including big boys' shoes.
Youths' and boys' shoes: sizes 12 1/2 to 5 1/2.
Women's shoes: sizes 4 and over including growing girls' shoes.
Misses' shoes: sizes 12 1/2 to 3 1/2.
Children's shoes: sizes 8 1/2 to 12, including little boys' shoes.
Infants' shoes: sizes 0 to 8.

Note: In some cases, sources of information use age designations rather than size in classifying shoe types.

GENERAL INDUSTRY STATISTICS

Employment and Earnings

Footwear industry employment continued to be affected by the competition from shoe imports, and the substantial cost advantage manufacturers in many developing countries maintain over U.S. shoe producers, due to their lower wage rates. According to the Footwear Industries of America, for the first six months of 1991, the total number of employees in non-rubber footwear plants declined to 67.5 thousand, down from 75.4 thousand during the same period in 1990. Production worker levels also fell to 57 thousand, from 64.2 thousand.

Layoffs, consolidations, and the closing of weaker footwear plants, were all partly responsible for worker reduction levels. Many U.S. firms that have set up production facilities in developing countries, where labor rates are lower, have also contributed to the problem, by cutting their U.S. staffs.

Annual figures, compiled by the U.S. Bureau of Labor Statistics, also reflect employment cut backs, as shown below. Employee levels in nonrubber footwear plants fell 11.1% overall in 1990 from 1989, and was down 15.7% from 1987. The number of workers in rubber/plastics footwear plants in 1990 also declined 0.9% over 1989, and 2.7% over 1987.

Employment, Hours and Earnings: Annual Averages, 1987-1990

(Employment figures in thousands)

	Employment		Production Worker		
			Average Earnings		Average Weekly
	Total	Production Workers	Weekly	Hourly	Hours
Total footwear, non-rubber (SIC 314)*					
1990	70.8	60.0	$240.24	$6.60	36.4
1989	79.6	67.9	234.24	6.28	37.3
1988	83.6	71.2	222.46	5.98	37.2
1987	84.0	72.3	217.73	5.76	37.8
Men's footwear, except athletic (SIC 3143)					
1990	30.6	24.9	$259.53	$7.13	36.4
1989	34.9	28.4	250.28	6.71	37.3
1988	37.0	29.8	235.48	6.33	37.2
1987	36.4	29.5	233.23	6.17	37.8
Women's footwear, except athletic (SIC 3144)					
1990	26.1	22.8	$222.52	$6.13	36.3
1989	27.6	24.5	220.60	5.93	37.2
1988	29.1	25.7	210.70	5.71	36.9
1987	30.7	27.0	206.34	5.43	38.0

(continued)

GENERAL INDUSTRY STATISTICS

Employment and Earnings (continued)

Employment, Hours and Earnings: Annual Averages, 1987-1990
(Employment figures in thousands)
(continued)

	Employment		Production Worker		
	Total	Production Workers	Average Earnings Weekly	Average Earnings Hourly	Average Weekly Hours
Rubber/plastics footwear (SIC 302)					
1990	10.9	8.8	$278.39	$6.66	41.8
1989	11.0	9.0	266.99	6.56	40.7
1988	11.7	9.7	255.50	6.34	40.3
1987	11.2	9.3	252.29	6.05	41.7

* Total includes types of non-rubber footwear not separately listed.

Source: U.S. Bureau of Labor Statistics:
Employment & Earnings (March 1991) and annual supplements

Monthly data on U.S. employment and earnings is compiled by the U.S. Department of Labor, Bureau of Labor Statistics. Employment totals differ somewhat from the annual reports by the Census Bureau due to a difference in methodology in compiling the data.

Preliminary figures available as of June 1991, show a downturn in employment levels in nonrubber footwear plants, including those manufacturing men's and women's styles, compared to June 1990 levels.

A 1.8% increase in workers employed in rubber/plastics footwear plants, was reported, however, the number of production workers remained the same.

Employment, Hours and Earnings in U.S. Footwear Plants June 1991 Compared With June 1990

	Total Employment (thous.)		Production Workers (thous.)		Average Weekly Hours		Average Weekly Earnings	
	1991(p)	1990	1991(p)	1990	1991(p)	1990	1991(p)	1990
Footwear								
Non-rubber	67.8	75.9	57.2	64.6	37.4	37.5	$252.08	$246.38
Men's	29.1	33.5	23.7	27.2	37.4	37.4	273.02	266.29
Women's	25.4	27.8	21.7	24.6	37.1	37.7	233.73	228.46
Rubber/plastics	11.4	11.2	9.1	9.1	43.0	40.8	299.28	270.50

(p) preliminary

Source: U.S. Bureau of Labor Statistics:
Employment & Earnings (August 1991)

Employment and Earnings (continued)

The Bureau of Labor Statistics has issued employment benchmarks for industry segments not covered in monthly and annual reports, including house slippers and miscellaneous footwear. The figures were retabulated under the 1987 SIC structure, enabling data from earlier years to remain comparable to that of later years.

Employment in plants manufacturing house slippers remained at 4.8 thousand in March 1990, the same as in 1989.

Employment levels in plants classified in SIC 3149 (footwear, except rubber, n.e.c.), has been on a downward trend, as the number of workers dropped to 10.3 thousand in 1990, from 11.1 thousand in 1989, and 20.3 thousand in 1983.

Employment Benchmarks for Specified Footwear Industry Segments: March 1983-1990
(In thousands)

Industry	1990	1989	1988	1987	1986	1985	1984	1983
House slippers (SIC 3142)	4.8	4.8	4.6	3.9	5.1	5.9	7.0	7.6
Footwear, except rubber, n.e.c. (SIC 3149)	10.3	11.1	12.8	12.1	14.0	15.1	18.7	20.3

n.e.c. not elsewhere classified

Source: U.S. Bureau of Labor Statistics: Employment & Earnings (June 1991)

Productivity, as measured by output per employee hour in the U.S. non-rubber footwear industry, has been on the rise since the 1982 base period. In 1989, output averaged 3.2% above the 1988 level, and 11.3% above the level in 1983.

Indexes of Output Per Employee in the Non-rubber Footwear Industry: 1982-1989
(1982 = 100)

1989(p)	1988	1987	1986	1985	1984	1983	1982
111.0	107.6	107.8	103.8	103.0	99.9	99.7	100.0

(p) preliminary

Source: U.S. Bureau of Labor Statistics

GENERAL INDUSTRY STATISTICS

Unemployment

The number of unemployed workers in the non-rubber footwear industry totaled 8,000 in 1990, down from 10,000 in 1989, according to estimates based on a small sample survey by the Bureau of Labor Statistics. The unemployment levels do not include discouraged workers, or persons no longer trying to return to footwear industry employment.

Non-rubber Footwear Unemployment
1980-1990

Year	Number of Unemployed Workers	Unemployment Rate
1990	8,000	8.0
1989	10,000	9.9
1988	10,000	10.4
1987	14,000	13.3
1986	18,000	15.4
1985	18,000	15.0
1984	27,000	16.6
1983	37,000	18.6
1982	41,000	18.8
1981	27,000	12.5
1980	16,000	7.7

Source: U.S. Department of Labor: Bureau of Labor Statistics

Footwear Unit Labor Costs

The FIA has compiled the following information on non-rubber footwear unit labor costs in the U.S. from 1980 through 1990.

Non-rubber Footwear Unit Labor Costs
1980-1990

Year	Wage/ Hour	Pairs/ Hour	Unit Labor Cost	Average Price/Pair	Labor Share %
1990	6.61	1.730	3.82	20.36	18.8%
1989	6.28	1.715	3.66	17.04	21.5
1988	5.99	1.580	3.79	16.91	22.4
1987	5.76	1.579	3.65	15.54	23.5
1986	5.61	1.718	3.27	14.66	22.3
1985	5.53	1.656	3.34	14.55	23.0
1984	5.43	1.657	3.28	14.31	22.9
1983	5.27	1.679	3.14	14.03	22.4
1982	5.12	1.709	3.00	13.43	22.3
1981	4.82	1.566	3.08	12.85	24.0
1980	4.42	1.656	2.67	12.00	22.3

Source: Compiled by Footwear Industries of America
from U.S. Bureau of Labor Statistics and U.S.
Bureau of the Census data.

GENERAL INDUSTRY STATISTICS

Industry Concentration

In 1990, the 20 largest producers of non-rubber footwear companies captured about 55% of total domestic output, according to surveys by the U.S. International Trade Commission. This contrasts with 1985, when two-thirds of the non-rubber footwear companies accounted for less than 14% of total domestic production.

1988 data from the U.S. Bureau of the Census, County Business Patterns, finds the non-rubber footwear industry to be primarily composed of large firms employing 100 or more workers. Many of these bigger companies resulted from the consolidation of smaller firms. In contrast, plants in the rubber/plastics footwear industry, were generally smaller, employing under 20 workers.

Footwear Industry Statistics By Employment Size of Plant: 1988

	Total Establishments		Total Employees	
	Number	Percent	Number	Percent
Footwear, except rubber (SIC 314)				
By employment size:	475	100.0%	72,320	100.0%
Under 20	165	34.7	923	1.3
20 to 49	58	12.2	1,902	2.6
50 to 99	49	10.3	3,465	4.8
100 to 249	84	17.7	14,596	20.2
250 to 499	98	20.6	35,101	48.5
500 & over	21	4.4	16,333	22.6
House slippers				
By employment size:	37	100.0%	3,505	100.0
Under 20	17	45.9	(D)	--
20 to 49	7	18.9	(D)	--
50 to 99	4	10.8	274	7.8
100 to 249	4	10.8	504	14.4
250 to 499	3	8.1	1,300	37.1
500 & over	2	5.4	(D)	--
Men's footwear, except athletic				
By employment size:	154	100.0%	32,580	100.0
Under 20	39	25.3	(D)	--
20 to 49	13	8.4	(D)	--
50 to 99	16	10.4	1,112	3.4
100 to 249	32	20.8	6,070	18.6
250 to 499	40	26.0	13,713	42.1
500 & over	14	9.1	(D)	--

(continued)

Industry Concentration

Footwear Industry Statistics By Employment Size of Plant: 1988
(continued)

	Total Establishments		Total Employees	
	Number	Percent	Number	Percent
Women's footwear, except rubber				
By employment size:	156	100.0%	26,196	100.0%
Under 20	43	27.6	(D)	--
20 to 49	24	15.4	803	3.1
50 to 99	14	9.0	960	3.7
100 to 249	29	18.6	5,129	19.6
250 to 499	42	26.9	15,430	58.9
500 & over	4	2.6	(D)	--
Footwear, except rubber, n.e.c.				
By employment size:	115	100.0%	9,512	100.0%
Under 20	57	49.6	(D)	--
20 to 49	12	10.4	383	4.0
50 to 99	14	12.2	1,049	11.0
100 to 249	19	16.5	2,893	30.4
250 to 499	12	10.4	4,277	45.0
500 & over	1	0.9	(D)	--
Rubber & plastic footwear				
By employment size:	67	100.0%	12,730	100.0%
Under 20	28	41.8	145	1.1
20 to 49	4	6.0	117	0.9
50 to 99	7	10.4	480	3.8
100 to 249	13	19.4	2,111	16.6
250 to 499	8	11.9	2,858	22.5
500 & over	7	10.4	7,019	55.1

(D) withheld to avoid disclosure of individual company data
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census:
1988 County Business Patterns

GENERAL INDUSTRY STATISTICS

Plant Closings

From 1983 to 1990, 385 footwear plants were closed, and 69 were opened, according to the Footwear Industries of America, for a net loss of 316 plants. There were no new plant openings in 1990, however, 49 closed, compared with no openings and 21 closings in 1989.

Net Closings of U.S. Non-rubber Footwear Plants: 1983-1990

	Closed	Opened	Net Loss
1983	42	18	- 24
1984	104	20	- 84
1985	58	9	- 49
1986	70	6	- 64
1987	25	9	- 16
1988	16	7	- 9
1989	21	0	- 21
1990	49	0	-49
Total 1983-1990	385	69	-316

Source: Footwear Industries of America (FIA)

Leading States

A listing of states with the greatest number of plants in each specified footwear category for 1987, was provided by the U.S. Census Bureau as follows:

Leading States in the Manufacture of Footwear: 1987
(Based on total number of plants)

Men's Footwear (except athletic)	No. of plants	
	Total	With 20+ Employees
U.S.	154	111
Texas	21	10
Maine	15	14
Pennsylvania	14	13
Massachusetts	13	8
Wisconsin	13	13

Women's Footwear (except athletic)	No. of plants	
	Total	With 20+ Employees
U.S.	163	123
California	27	18
New York	21	14
Missouri	18	17
Maine	13	11
Pennsylvania	12	8

House Slippers	No. of plants	
	Total	With 20+ Employees
U.S.	37	23
New York	6	2
New Jersey	5	2
Maine	3	3
North Carolina	2	1
Texas	2	2

Footwear, except rubber, n.e.c.	No. of plants	
	Total	With 20+ Employees
U.S.	129	61
Pennsylvania	19	17
Missouri	13	11
California	13	2
Maine	11	2
Florida	9	4

(continued)

Leading States (continued)

Rubber & Plastics Footwear	No. of plants Total	No. of plants With 20+ Employees
U.S.	65	38
California	8	4
New York	6	3
Pennsylvania	6	4
Florida	5	3

Source: U.S. Bureau of the Census:
1987 Census of Manufactures (MC87 -1-30A, 31A)

MANUFACTURERS' OPERATIONS

An annual analysis of sales and operating results of publicly-held footwear companies classified as resources was published in the trade newspaper, Footwear News (July 8, 1991). The following covers sales and profits in fiscal year 1990 compared with 1989.

Sales & Profits of Leading Publicly-Held Footwear Manufacturers: Fiscal Year 1989, 1990

(Dollar figures in millions)

	Sales 1990	Sales % Change 1990/89	Profit (Loss) 1990	Profit (Loss) % Change 1990/89
U.S. Shoe Corp.	$2,718.7	6.3%	-31.3	na
Nike, Inc.	2,235.2	30.7	243.0	45.4%
Reebok Int'l.	2,159.2	18.5	176.6	0.9
L.A. Gear	902.2	46.2	31.3	43.1
Stride Rite	515.8	13.5	55.5	21.6
Wolverine	322.2	0.4	-5.7	na
Timberland	196.3	25.7	7.9	23.1
Weyco Group	148.5	6.9	6.5	2.6
R.G. Barry	108.9	-11.3	-7.0	na
K-Swiss	98.0	41.1	7.2	52.3
Suave Shoe Corp.	62.1	1.5	1.8	315.7
Hyde Athletic Industries	57.3	0.1	0.6	169.7
Millfield Trading Co.	45.2	63.9	1.7	114.3
B.B. Walker Co.	44.0	2.4	-0.5	na
Wellco Enterprises	20.2	-30.7	1.5	-39.1
Daniel Green	18.5	0.8	0.3	69.2
Penobscot Co.	13.8	-3.7	-0.5	na
RYKA	4.7	-4.4	-4.1	na
Total	9,670.9	17.5	484.9	-7.0

na not applicable

Source: Footwear News, July 8, 1991

MANUFACTURERS' OPERATIONS

Athletic Footwear Suppliers

Nike remained the leading U.S. athletic footwear supplier in 1990, capturing 29.2% of the $5.5 billion market. Reebok followed, with a 21.4% share, and L.A. Gear remained third, with a 12% share. Together, these top three companies accounted for a full 62.6% of the market, compared to 59% in 1989.

At top ranking Nike, U.S. sales of athletic footwear grew 29% in 1990 over 1989, and are estimated by Shearson Lehman Hutton to reach $1.7 billion in 1991, 21.4% higher than in 1990. To strengthen its industry lead, the company plans to diversify its product mix by launching its Supreme Court tennis line, expanding its Air Digs volleyball line, and improving on already popular lines such as Air Jordans and Air Huraches.

Domestic footwear sales at Reebok were flat overall, rising just 1.6% in 1990 versus 1989. However, sales are estimated to grow to $1.4 billion in 1991, and $1.7 billion in 1992, according to Shearson Lehman Hutton. The Pump, Reebok's inflatable athletic shoe which sells in 9 different categories, continues to be the company's major growth opportunity, with sales reaching $500 million. The company also had success with its new Black Top Shoe, and will concentrate on reviving its Classics lines in the future.

1991 and 1992 sales estimates of Reebok's other footwear divisions, reported by Shearson Lehman Hutton, shows Ellesse and Rockport to be adding substantially to Reebok's bottom line, while the Boston Whaler and Avia divisions have not yet proven to be as profitable.

Reebok's Footwear Revenues
(Millions of dollars)

	1992(e)	1991(e)
Total, footwear revenues*	$3,457.0	$3,043.1
By brand:		
Reebok	1,682.0	1,352.3
Rockport	294.0	249.6
Avia	165.0	143.2
Ellesse, U.S.A.	54.0	64.9
Boston Whaler	46.0	34.2
International sales	706.0	724.9

(e) estimated * Includes international sales.

Source: Shearson Lehman Hutton (4/30/91)

Although domestic sales of L.A. Gear footwear rose 23.4% in 1990, the company faced major setbacks in 1990 and into 1991, due to technical default with its creditors, and steep price-cutting activity undertaken by the company in order to keep inventories in line, and maintain retail shelf space. Improvements were made in the second half of 1991, as L.A. Gear successfully renegotiated a credit agreement with its bank group, and reduced its heavy discounting. The company plans to improve product quality, focus on its traditional trendy junior consumer, and concentrate on its casual wear and performance athletics for men, especially its successful Catapult line, according to Shearson Lehman Hutton.

Athletic Footwear Suppliers (continued)

Keds, Stride Rite's fastest growing business, has made major inroads into the athletic footwear business, by targeting the fashion casual segment of the market. In 1990, sales rose 24% over the previous year, and business has increased 600% over the last five years, according to Footwear News. The Champion Oxford continues to be Ked's core product. New introductions, such as "Tru-Wash", the Classic Oxford shoe, made of microfiber, and a new line of men's footwear, have also been responsible for the company's growing sales.

Many athletic shoe firms have spun off new lines of casual shoes with athletic construction, in order to satisfy a growing demand for this type of footwear. A redefined market, which has blurred the boundaries between athletics and casuals, has encouraged firms such as Nike to develop its Cole Haan and i.e. lines, and Reebok to introduce its new Boks line, according to Footwear News. Traditional shoe firms, who have watched athletic firms steal market share away from them for so many years, are also reaping some of the rewards of this new category.

Nine of the top 20 athletic shoe brands compiled by Sportstyle, lost sales ground in 1990. Sales dropped 11.9% for Converse brands, whose parent company filed for bankruptcy. An 18.1% decline was also reported for Avia, who pared back business to its performance core in 1990. The largest gains occurred for the K-Swiss and Ellesse brands, which grew 42% and 41% respectively.

U.S. Sales of Athletic Footwear By Manufacturer: 1989, 1990
In millions of dollars)

	1990	1989	% Change 1990/89
Nike	$1,369	$1,058	29.4%
Reebok	1,172	1,153	1.6
L.A. Gear	657	532	23.5
Keds	275	219	25.6
Rockport	232	192	20.8
Converse	200	227	-11.9
Adidas	169	170	-0.6
Avia	154	188	-18.1
British Knights	145	130	11.5
Etonic	115	89	29.2
Asics Tiger	112	95	17.9
New Balance	90	95	-5.3
K Swiss	81	57	42.1
Foot-Joy	71	58	22.4
Sperry	64	71	- 9.9
Saucony	45	43	4.7
Fila	43	53	-18.9
Vans	42	32	31.1
Pony	42	65	-35.4
Tretorn	35	39	-10.3

Source: Sportstyle (June 10, 1991)

MANUFACTURERS' OPERATIONS

Athletic Footwear Suppliers (continued)

Estimated Share of the U.S. Athletic Footwear Market Held By Leading Manufacturers: 1990

	Percent
Total market	100.0%
Nike	29.2
Reebok	21.4
L.A. Gear	12.0
Keds	5.1
Adidas, U.S.A.	4.2
Converse	4.0
Avia	2.8
British Knights	2.6
New Balance	1.8
Other	16.9

Source: Shearson Lehman Hutton (8/21/91)

Outdoor Footwear Suppliers

Many athletic footwear companies have diversified their product lines to include new categories, such as outdoor footwear. Hikers, outdoor cross-trainers and hiker-inspired looks have gained in popularity in 1990. A listing of the major outdoor footwear companies, as ranked by Sportstyle, is shown below.

U.S. Sales of Outdoor Footwear by Manufacturer: 1989, 1990
(in millions of dollars)

	1990	1989	% Change 1990/89
Timberland	$101.8	$98.8	3.0%
LaCrosse	45.8	42.4	8.0
Wolverine	43.5	47.8	-9.0
Rocky Boots	40.0	40.0	0.0
Herman's	34.1	31.0	10.0
Dunham	33.0	35.0	-5.7
Hi-Tec	29.0	27.6	5.1
Lake-of-the-Woods	21.0	18.7	12.3

Source: Sportstyle (June 10, 1991)

NATIONAL ADVERTISING EXPENDITURES

Estimates on advertising-to-sales ratios by industry are compiled by Schonfeld & Associates, Evanston, IL, from a variety of sources, including the 10-K reports of publicly held companies. The following summary has been published in Advertising Age from the complete report, "Advertising Ratios & Budgets", which includes forecasts. Estimates and forecasts were developed by using historical data.

NATIONAL ADVERTISING EXPENDITURES

In using the data it should be noted that expenditures included as advertising in 10-K reports may vary from company to company; privately-owned companies are not included; multi-industry companies are reported only in their primary industry (based on sales of their dominant line of business).

Non-rubber Footwear Industry Advertising Ratios: 1985-1991
(All Media)

	Ad Dollars As % of Sales	Ad Dollars As % of Margin*	Ad Dollars Annual Growth Rate %
1991(e)	4.6	11.9	8.9
1990(e)	3.8	10.5	6.3
1989(e)	3.4	9.9	5.9
1988(e)	3.2	8.2	-4.4
1987	nr	nr	nr
1986	4.2	10.2	-4.7
1985	4.5	12.2	4.5

(e) estimated
nr not reported
* Margin is net sales less cost of goods sold

Source: Schonfeld & Associates, Evanston, IL,
(Advertising Age, September 16, 1991 & earlier issues)

As competition for customer dollars continues to rage throughout the shoe industry, more footwear manufacturers are allocating larger chunks of their budgets for television and print advertising. Many companies have increased their ad spending and refocused efforts on promotions, in order to combat slowed sales growth.

In the 1990 ranking of the top 100 Leading National Advertisers, compiled by Advertising Age (Sept. 25, 1991), Nike ranked number 58, moving up from 99th place in 1989. Advertising expenditures for its sporting footwear division, totaled $69.3 million, and $5.3 million for its Cole-Haan division, up 123.1% and 180.2% respectively from 1989.

U.S. Shoe Corporation ranked number 95 on the list, up from 105th place in 1989. $11.6 million of its ad spending was for its Easy Spirit sporting footwear division, up 201.9% from 1989.

Athletics companies in particular, have large advertising budgets, especially the top competitors such as Nike, Reebok and L.A. Gear. In some cases, annual ad expenditures by the bigger companies add up to more money than many smaller shoe companies gross in a year. Many companies seek to set a tone and create an image for their brands through television and print advertising. Given the high cost of television ads, however, many manufacturers rely heavily on print advertising to bring their product and image to the buying public, according to Footwear News.

NATIONAL ADVERTISING EXPENDITURES

Consumer Magazines

In its Leading National Advertisers report, the Publisher's Information Bureau (PIB) details spending on consumer magazine advertising space by footwear companies. Annual data for 1990 is compared with 1989 data below. The PIB breaks down expenditures for footwear advertising into two classifications "Shoes and Boots (Regular & Casual)" and "Sport & Protective Footwear" including men's, women's and children's.

Selected Footwear Advertisers' Spending For Space in Consumer Magazines On Shoes and Boots (Regular & Casual) 1989, 1990
(In thousands of dollars)

	Space Costs	
	1990	1989(r)
Nike, Inc.:		
Cole-Haan	$5,288.8	$1,536.0
i.e. Casual Shoes	1,411.8	1,167.7
Brown Group, Inc.*	3,920.8	2,022.3
Reebok Int'l., Ltd.**	2,813.9	2,617.0
Bally, Inc.	2,673.7	1,202.7
U.S. Shoe Corp.***	1,944.0	3,086.2
Stride Rite Corp.#	1,941.2	1,697.2
Dexter Shoe Co.	1,914.6	1,708.0
Timberland Co.	1,586.6	2,068.3
Wolverine Worldwide, Inc.##	1,566.6	1,095.8
Morse Shoe, Inc.###	1,242.4	989.4
Interco, Inc.+	1,008.2	253.2
Bass++	1,346.9	2,456.2

(r) revised
* Includes: Buster Brown, HH Brown, Levi's Casual Shoes, Natural Sport, Naturalizer, and Watermocs brands.
** Includes: Rockport, Metaphors, and Weebok Casual shoes.
*** Includes: Bandolino, Calvin Klein, Capezio, Cobbie Cuddlers, David Evins, Easy Spirit, J. Chisolm Boots, Joyce Shoes, Pappazallo, Selby, Texas Boots
# Includes: Sperry Top-Sider and Stride Rite brands.
## Includes: Bates Floaters All Weather and Hush Puppies brands.
### Includes: Soft Spots Casual Shoes.
+ Includes: Florsheim Shoes.
++ Owned by Phillips-Van Heusen.

Source: Publisher's Information Bureau: Leading National Advertisers

NATIONAL ADVERTISING EXPENDITURES

Consumer Magazines (continued)

Selected Footwear Advertisers' Spending For Space in Consumer Magazines On Sport & Protective Footwear: 1989, 1990
(In thousands of dollars)

	Space Costs	
	1990	1989(r)
Nike	$14,757.7	$10,859.8
Reebok International, Ltd.*	13,225.8	9,220.0
Keds	5,067.9	1,586.8
L.A. Gear	3,713.9	2,126.4
Converse	2,405.9	1,944.5
Easy Spirit	1,362.6	684.1
Etonic/Tretorn	1,306.3	2,391.4
K-Swiss	1,169.0	1,230.9
Sperry Top-Sider	1,113.4	1,126.6
Asics Tiger	1,098.0	788.2
British Knights	1,027.5	425.0
Fila	830.7	436.2
New Balance	733.8	883.0

* Includes Avia
(r) revised

Source: Publisher's Information Bureau: Leading National Advertisers

PRODUCTION IN THE U.S.

According to FIA statistics, based on Census Bureau data, U.S. production of both non-rubber and rubber footwear types declined during the first half of 1991, compared to the first half of 1990. 86.3 million pairs of non-rubber footwear were produced during this period, down from 105.6 million pairs in 1990; an 18.3% drop. Rubber/fabric shoes produced in the U.S. also dropped to 43.7 million pairs, from 45 million pairs; down 2.9%.

Improvements in production include widespread use of computers, which is shortening production time, and improving market response for manufacturers, according to the 1991 U.S. Industrial Outlook. Computer-aided shoemaking helps manufacturers improve their competitiveness through better quality, expanded design flexibility, and lower production costs.

A comparison of production in 1990 versus 1989, as reported by the Census Bureau, shows declines occurring for most types of non-rubber footwear. Production of shoes with rubber or plastic soles and fabric uppers increased 2.8% for the year, however, as protective shoe production rose 9.6%.

Higher leather prices had little effect on reducing the proportion of footwear produced with leather uppers. According to the U.S. Industrial Outlook, in 1990, about 55% of domestically produced non-rubber shoes contained leather uppers, 4% less than for imported non-rubber footwear.

PRODUCTION IN THE U.S.

By Type of Footwear

The latest detailed information on footwear production by type is from the Census Bureau's 1990 annual Current Industrial Report.

U.S. Production of Footwear By Type: 1989, 1990
(Thousands of pairs)

	1990	1989(r)	% Change 1990/89
Footwear, total (non-rubber & rubber/plastic not including protective footwear)	277,417	298,722	-7.1%
Non-rubber footwear, total	198,445	221,890	-10.6
Shoes, except slippers	153,283	165,377	-7.3
Men's (except athletic)	45,649	51,408	-11.2
Dress & casual shoes	25,424	24,667	3.1
Boots, dress & casual	1,322	1,396	-5.3
Western style boots	5,932	6,833	-13.2
Work oxfords	2,055	2,134	-3.7
Work shoes, ankle ht. or higher	10,916	12,516	-12.8
Youths' & boys' (except athletic)	3,342	2,513	33.0
Women's (except athletic)	66,797	68,987	-3.2
Sandals	2,016	3,943	-48.9
Dress & casual, except sandals	61,328	61,203	0.2
Uniform duty shoes	408	523	-22.0
Boots, ankle height or higher	3,045	3,318	-8.2
Misses' shoes & boots exc. athletic	3,581	3,865	-7.3
Children's shoes and boots (except athletic)	5,611	6,262	-10.4
Infants' & babies' shoes	11,948	13,812	-13.5
Athletic shoes	13,678	15,267	-10.4
All other non-rubber footwear (ballet slippers, etc.)	2,677	3,263	-18.0
Slippers	45,162	56,513	-20.1
Men's	5,735	5,907	-2.9
Women's	36,631	47,487	-22.9
All Other	2,796	3,119	-10.4
Shoes with rubber or plastic soles/ fabric uppers, total	78,972	76,832	2.8
Fabric upper:			
Espadrilles	(D)	(D)	--
Cement process	3,221	3,039	6.0
Vulcanized	(D)	(D)	--
Injection molded	36,199	36,353	-0.4
All other	(D)	(D)	--

(r) revised
(D) Data withheld to avoid disclosure for individual companies.

(continued)

PRODUCTION IN THE U.S.

By Type of Footwear (continued)

U.S. Production of Rubber & Plastic Protective Footwear: 1989, 1990

(Thousands of pairs)

	1990	1989(r)	% Change 1990/89
Protective footwear, total	15,425	14,068	9.6%
Rubber upper protective footwear	8,764	8,792	-0.3
Boots	3,263	3,164	3.1
Lumberman & pacs	1,741	1,647	5.7
Arctics & gaiters	1,386	1,413	-1.9
Light & heavy rubbers	2,374	2,568	-7.6
Plastic upper protective footwear:			
Slush molded	(D)	(D)	--
Injection molded	2,884	1,281	125.1
Fabric upper protective footwear, rubber/plastic sole	(D)	(D)	--

(r) revised
(D) Data withheld to avoid disclosure for individual companies

By Shoe Construction

Footwear Production by Type of Upper and Type of Sole: 1989, 1990

(In thousands of pairs)

	1990	1989(r)	% Change 1990/89
Total	292,842	312,790	-6.4%
Rubber or plastic uppers & soles*	45,306	50,853	-10.9
Waterproof	12,977	11,364	14.2
Made with steel safety toes	1,733	1,334	29.9
Boots, excl. steel safety toes	9,316	5,575	67.1
All other	1,928	4,455	-56.7
Not waterproof	32,329	39,489	-18.1
Athletic	9,190	15,707	-41.5
Boots, excl. steel safety toes	1,386	1,583	-12.4
All other	20,628	22,108	-6.7
Leather uppers	94,760	105,164	-9.9
Athletic	4,957	7,814	-36.6
Leather soles	29,849	32,590	-8.4
Other soles	59,954	64,760	-7.4
Fabric uppers	113,779	121,686	-6.5
Rubber or plastic soles	104,473	110,777	-5.7
Athletic	60,596	55,123	9.9
All other	43,877	55,654	-21.2
With all other soles	9,306	10,909	-14.7
Footwear not specified by type of material	38,997	35,087	11.1

(r) revised
*including rubber or plastic coated fabric uppers.

Source: U.S. Bureau of the Census:
Current Industrial Reports, MA31A (1990)

PRODUCTION IN THE U.S.

Leading States

Missouri was the leading state in the unit production of non-rubber footwear in 1990, although volume dropped 10.6% compared to 1989, according to the U.S. Census Bureau. Maine replaced Texas to become the number two shoe producing state, while Texas dropped down to fifth place, with pairs declining 39.6% over 1989.

Production of Non-rubber Footwear
By State: 1989,1990
(thousands of pairs)

State	1990	1989(r)	% Change 1990/89
U.S.	198,445	221,890	-10.6%
Missouri	25,867	29,904	-13.5
Maine	23,269	23,631	-1.5
Pennsylvania	19,170	21,366	-10.3
North Carolina	16,621	18,053	-7.9
Texas	15,036	24,897	-39.6
Tennessee	12,874	14,259	-9.7
Arkansas	9,883	10,153	-2.7

(r) revised

Source: U.S. Bureau of the Census
Current Industrial Reports (MA31A (1990))

PRODUCT SHIPMENTS

In contrast with the value of "Industry Shipments", which have been covered in the section on GENERAL INDUSTRY STATISTICS, product shipments cover the value of footwear made by all manufacturing establishments with payroll, including those classified in the footwear industry (primary producers) and those classified in other industries (secondary producers).

The most comprehensive information on the quantity and value of shipments is contained in the Census Bureau reports on the complete Census of Manufactures taken every five years (the lastest covering 1987). Comparable figures for intercensal periods are compiled by the Census Bureau through annual surveys among a sample of manufacturers in the U.S.

Footwear shipments for census years 1987 and 1982 are reported in the 1990 Footwear Fact File. Data for 1989 and 1990 is reported by the Census Bureau, in its annual Current Industrial Report, and is developed through mail surveys among all known U.S. manufacturers and jobbers, except very small firms (usually fewer than five employees).

The value of U.S. manufacturers' shipments of footwear of all types grew just 0.3% in 1990 over 1989, compared to a 5% increase in 1989. A 7.7% decline was noted in the quantity of footwear shipped in 1990, compared with 1989.

PRODUCT SHIPMENTS

Quantity & Value of Shipments of Footwear By All Producers: 1989, 1990
By Type of Footwear

	Pairs (thous.)		% Change	Value (mil. $)		% Change
	1990	1989(r)	1990/89	1990	1989(r)	1990/89
Footwear, total	216,756	234,932	-7.7%	$3,910.1	$3,896.6	0.3%
Non-rubber footwear	201,676	221,049	-8.8	3,737.8	3,752.8	-0.4
Shoes	156,119	164,676	-5.2	3,484.2	3,485.8	-0.05
Men's (except athletic)	45,970	51,426	-10.6	1,776.6	1,825.5	-2.7
Dress & casual	24,667	27,529	-10.4	836.3	816.3	2.5
Boots, dress & casual, excl. western style	1,332	1,361	-2.1	55.6	54.4	2.2
Western style boots	5,937	6,548	-9.3	344.7	386.5	-10.8
Work oxfords	2,176	2,353	-7.5	74.1	70.7	4.8
Workshoes (ankle height or higher)	11,858	13,635	-13.0	466.0	497.6	-6.4
Youths' & boys' (excl. athletic)	3,329	2,168	53.6	23.2	19.5	19.0
Women's (excl. athletic)	67,170	67,763	-0.9	1,325.0	1,258.3	5.3
Sandals	1,947	3,808	-48.9	32.7	56.0	-41.6
Dress & casual (excl. sandals)	62,069	60,187	3.1	1,152.4	1,055.8	9.1
Uniform Duty Shoes	407	526	-22.6	11.5	10.7	7.5
Boots (ankle height or higher)	2,747	3,242	-15.3	128.4	135.8	-5.4
Misses' shoes & boots (excl. athletic)	3,511	3,341	5.1	27.7	27.2	1.8
Children's shoes & boots (excl. athletic)	5,782	6,237	-7.3	64.3	71.8	-10.4
Infants' & babies' shoes	13,520	14,906	-9.3	72.4	79.2	-8.6
Athletic footwear	13,976	15,421	-9.4	166.2	171.3	-3.0
All other shoes (ballet, theatrical, etc.)	2,861	3,414	-16.2	28.9	33.0	-12.4
Slippers	45,557	56,373	-19.2	253.5	267.0	-5.1
Men's	5,763	5,966	-3.4	43.6	41.5	5.1
Women's	36,979	46,638	-20.7	199.7	213.4	-6.4
All other	2,815	3,769	-25.3	10.3	12.1	-14.9
Rubber & plastic footwear	15,080	13,883	8.6	172.3	143.8	19.8
Rubber upper protective	8,879	8,606	3.2	111.6	96.7	15.4

Source: U.S. Bureau of the Census:
Current Industrial Reports, MA31A (1990)

PRODUCT SHIPMENTS

Quantity and Value of Shipments of Shoes With Rubber or Plastic Soles/Fabric Uppers, 1989, 1990

	Pairs (thous.)			Value (mil. $)		
	1990	1989	% Change 1990/89	1990	1989	% Change 1990/89
Total	77,292	74,007	4.4%	$424.7	$417.1	1.8%
Fabric upper:						
Construction	(D)	(D)	--	(D)	(D)	--
Cement process	3,244	3,194	1.6	94.7	88.1	7.5
Vulcanized	(D)	(D)	--	(D)	(D)	--
Injection molded	36,145	36,069	0.2	142.8	141.7	0.7
All other	(D)	(D)	--	(D)	(D)	--

(D) Withheld to avoid disclosure of individual company data.

Source: U.S. Bureau of the Census:
Current Industrial Reports MA31A (1990)

PRICE TRENDS

Producer (U.S. Factory) Prices

In July 1991, U.S. factory prices for non-rubber footwear were 2.5% higher than July 1990, with the sharpest rise noted for children's footwear (+3.3%). Upper leather prices fell 5.8% during this time period, as sole leather prices dropped 3%.

Summary of Producer Price Indexes: July 1991, December 1990
(1982=100)

	Sole Leather	Upper Leather	Non-rubber Footwear				Rubber/ Plastic Footwear
			Total	Men's	Women's	Children's	
July 1991	167.3	154.7	128.7	135.9	121.8	136.3	121.4
Dec. 1990	167.4	161.4	126.1	134.3	118.1	132.0	120.4
% Change:							
July 1991/90	-3.0%	-5.8%	2.5%	2.5%	2.6%	3.3%	0.4%
Dec. 1990/89	2.3%	0.4%	2.4%	4.1%	1.1%	3.1%	-0.2%

Source: U.S. Department of Labor:
Bureau of Labor Statistics

Producer (U.S. Factory) Prices (continued)

Producer (Factory) Prices For Specific Types of Footwear

(1982=100, unless otherwise indicated)

	Seasonally Unadjusted Indexes			% Change July 1991 from	
	Annual Average 1990	Dec. 1990	July 1991	July 1990	June 1991
Footwear, non-rubber	125.6	126.1	128.7	2.5%	-0.08%
Men's footwear	132.8	134.3	135.9	2.5	-0.9
Men's leather upper footwear	134.8	136.4	137.7	2.4	-1.0
Dress & casual shoes	135.8	138.0	138.4	3.0	-2.1
Boots	126.3	127.2	127.3	0.08	0.0
Work shoes or boots	138.2	139.3	143.0	3.2	-0.0
Houseslippers, except slipper socks*	148.5	152.1	155.8	2.2	0.0
Men's non-leather upper footwear	115.8	116.1	120.3	3.6	0.0
Plastic upper footwear	115.9	116.3	nr	--	--
Men's other upper dress & casual shoes**	98.7	98.8	106.1	8.0	2.1
Women's footwear	118.8	118.1	121.8	2.6	0.6
Women's leather upper footwear	120.9	121.9	124.3	2.5	0.08
Dress shoes	119.6	121.1	121.3	1.8	0.0
Casual shoes	132.2	132.8	134.3	1.8	0.1
Slippers (except slipper socks)*	164.8	164.8	166.4	1.0	0.0
Women's plastic upper footwear	113.5	110.7	116.9	3.1	0.3
Dress shoes	103.6	100.9	103.2	0.0	0.0
Casual shoes	113.9	110.3	120.3	5.2	0.5
Other non-leather upper footwear	129.3	126.2	129.9	1.8	3.0
Dress shoes**	nr	125.8	127.7	nr	0.0
Slippers (except slipper socks)*	115.2	109.6	114.5	4.0	6.0
Children's footwear (Sizes 8 1/2 - 12)	130.2	132.0	136.3	3.3	1.0
Leather upper footwear	138.4	140.5	145.7	3.8	1.1
Misses' footwear (Sizes 12 1/2 - 2 1/2)	117.9	120.2	121.4	4.3	0.08
Leather upper footwear	117.0	117.3	119.2	1.9	0.08
Youths', boys' footwear (Sizes 12 1/2 - 6)	128.9	128.9	128.9	0.0	0.0
Infants', babies' footwear (Sizes 1 - 8)	127.4	128.6	131.0	1.8	0.0
Leather upper footwear	132.5	133.8	136.9	2.0	0.0
Non-leather upper footwear	117.9	118.5	118.5	0.8	0.0
Athletic footwear	124.1	124.8	126.2	1.7	0.0
Footwear rubber/plastics	120.8	120.4	121.4	0.4	0.08
Protective footwear	129.4	131.3	137.9	7.1	0.1
Non-protective footwear, fabric upper***	108.2	107.3	107.1	-1.2	0.0

nr not reported
*Base period June 1985=100 **Base period June 1983=100
***Base period Dec. 1986=100

Source: U.S. Department of Labor: Bureau of Labor Statistics
(Commodity Groupings & Individual Items)

PRICE TRENDS

Import Prices

The Bureau of Labor Statistics compiles indexes on prices of imported footwear, including cost, insurance, and freight (c.i.f.). During the 12-month period ended June 1991, footwear import prices were up 1.9%, with those made of leather rising 2.8%. In order to remedy the problem of rising manufacturing costs, many foreign producers have shifted production to countries with cheaper labor.

Trends in Footwear Import Price Indexes

	Index (1985-100)		Percent Change				
			Annual	Quarterly			
	June 1991	Mar. 1991	June 90/ June 91	June 90/ Sept. 90	Sept. 90/ Dec. 90	Dec. 90/ Mar. 90	Mar. 91/ June 91
Footwear	140.2	142.8	1.9%	1.8%	1.8%	0.1%	-1.8%
Athletic	124.2	124.2	0.9	-0.1	0.4	0.6	0.0
Rubber & plastic*	107.6	107.3	0.6	-0.5	1.2	-0.5	0.3
Leather	145.1	149.7	2.8	3.3	2.4	0.3	-3.1

* (3/88-100)

Source: U.S. Department of Labor:
Bureau of Labor Statistics

MARKET SUPPLY

Included in the Current Industrial Reports on footwear is an overview of the supply of footwear in the U.S. from 1977 to 1990. In this period, total annual new supply or apparent consumption (derived by subtracting exports from total production plus imports) increased to 1,287.9 million pairs, from 773.0 million pairs--a gain of 66.6%. In comparing 1990 with 1989, new supply rose 38.4%, while U.S. production dropped 10.6%. Pairs of imported shoes grew by 51.7% in 1990, however, the number of shoe exports fell 19.1%.

Non-rubber Footwear Supply in the U.S.
Selected Years, 1977-1990
(Millions of pairs)

Year	Domestic Production	Exports	Imports	Total New Supply*
1990	198.4	16.5	1,106.0	1,287.9
1989(r)	221.9	20.4	728.9	930.4
1988	235.1	31.4	925.1	1,128.8
1987	230.0	21.0	937.5	1,146.5
1986	240.9	12.5	940.4	1,168.8
1985	265.1	11.3	842.6	1,096.4
1980	386.3	12.8	361.0	734.5
1977	418.4	5.4	360.0	773.0

(r) revised
*Also referred to as "Apparent Consumption" in published reports.

Source: U.S. Bureau of the Census:
Current Industrial Reports (MA31A)

MARKET SUPPLY

A summary of new market supply with more detail on components, and import values which include U.S. import duties as well as cost, insurance and freight, is published by the Census Bureau, and available for 1990, as shown below.

Summary of Production, Exports, Imports & Apparent Consumption (New Supply) of Footwear: 1990

	Total Footwear	Shoes & Slippers	Footwear with Rubber/ Plastic Sole, Fabric Uppers	Rubber/ Plastic Protective Footwear
Quantity (mils. of pairs)				
Manufacturers' shipments	294.1	201.7	77.3	15.1
Exports	16.5	15.0	1.0	0.5
% Exports to domestic prod.	5.6%	7.4%	1.3%	3.3%
Imports for consumption	1,106.0	753.0	347.0	6.0
Apparent consumption##	1,383.6	939.7	423.3	20.6
Imports % of consumption	79.9%	80.1%	82.0%	29.1%
Value (mils. of $)*				
Shipments, f.o.b. plant	$4,334.8	$3,737.8	$424.7	$172.3
Exports**	$343.0	$311.8	$26.4	$4.8
% Exports to domestic prod.	7.9%	8.3%	6.2%	2.8%
Imports for consumption#	10,487.1	8,550.1	1,861.8	75.2
Apparent consumption	14,478.9	11,976.1	2,260.1	242.7
Imports % of consumption	72.4%	71.4%	82.4%	31.0%

* Represents shipments

** Source: U.S. Census Bureau EM 522, U.S. Exports

# Represents the c.i.f. (cost, insurance, and freight) value at first port of entry.

## Derived by subtracting exports from total production plus imports

Source: U.S. Bureau of the Census:
Current Industrial Reports, Footwear MA31A(90)

FOREIGN TRADE

Imports

A fragile U.S. economy and low consumer confidence have had a great impact on the footwear industry in 1990 and into 1991. For the first eight months of 1991, units of non-rubber shoe imports declined 0.3%, while value fell 2.9%, due to the fact that most imports come from very low-cost producers, in particular China and Indonesia.

FOREIGN TRADE

Imports (continued)

The quantity of rubber/fabric shoe imports was also down 2.8% during this time, while value rose 5.7%, according to the U.S. Commerce Department.

1990 statistics, classified by upper material, as reported by the U.S. Bureau of the Census IM 146 report, show the greatest volume of shoe imports (39.7%) was for those composed of leather uppers and rubber/plastic/leather soles, up from the 37.9% share it held in 1989. More than half (58.2%) of all athletic footwear imports fell into this category.

Overall, pairs of shoes imported into the U.S. in 1990 totaled approximately 1.1 billion, 4.4% higher than in 1989. Customs value of these imports, which is measured as the cost of footwear at the foreign port of exit, excluding shipping, insurance and duties charges, also increased to $9.1 billion.

Quantity and Value of U.S. Footwear Imports: 1990
(Quantity in thous. of pairs; value in thous. of dollars)

	1990 Pairs (000)	% of Total	% Change 1990/89	Value ($000)	% of Total	% Change 1990/89
Grand total	1,120,414.4	100.0%	4.4%	$9,115,727.9	100.0%	14.3%
Rubber/Plastic Uppers & Outer Soles, total	358,636.7	32.0	4.2	1,710,033.1	18.8	8.0
Sports footwear	44,710.9	4.0	2.8	349,102.7	3.8	-1.2
Men's, Youth's, Boys'	5,943.7	0.5	13.2	59,873.2	0.7	20.3
Women's, Children's, & Infants'	1,648.9	0.1	-49.9	11,138.7	0.1	-39.0
Ski	1,346.7	0.1	-20.2	82,928.4	0.9	-11.8
Other	35,771.6	3.2	7.5	195,162.4	2.1	2.0
Protective or Waterproof	43,898.2	3.9	0.7	292,545.8	3.2	0.8
Wood or Cork	134.8	0.01	19.5	573.4	0.01	61.7
Zoris	15,153.0	1.4	-32.2	7,515.2	0.1	-25.1
House Slippers	8,024.0	0.7	10.4	11,341.8	0.1	10.2
All Others	246,715.8	22.0	8.5	1,048,954.2	11.5	14.1
Leather Uppers & Soles, total	46,215.4	4.1	-16.3	988,775.4	10.8	0.5
Men's	16,633.9	1.5	-17.9	360,438.2	4.0	-6.8
Women's	23,512.8	2.1	-13.0	490,270.1	5.4	9.0
Youth's & Boys'	852.0	0.1	25.4	10,440.4	0.1	36.0
Misses', Children's, Infants'	4,855.9	0.4	-27.9	126,219.7	1.4	-7.7
All Others	360.8	0.03	-31.4	1,407.0	0.02	-50.5

(continued)

FOREIGN TRADE

Imports (continued)

Quantity and Value of U.S. Footwear Imports: 1990
(Quantity in thous. of pairs; value in thous. of dollars)

	1990 Pairs (000)	% of Total	% Change 1990/89	Value ($000)	% of Total	% Change 1990/89
Leather Uppers & Rubber/ Plas/Leather Soles, total	444,995.6	39.7%	8.6%	$5,510,316.4	60.4%	21.0%
Sports footwear	150,691.6	13.4	11.6	2,219,634.1	24.3	28.2
Men's, Youth's, Boys'	110,711.9	9.9	24.1	1,754,790.2	19.3	41.8
Women's & Misses'	32,693.8	2.9	-13.1	398,767.1	4.4	-5.8
Children's & Infants'	7,184.1	0.6	-8.5	63,005.6	0.7	-3.3
Ski	101.8	0.01	-51.2	3,071.2	0.03	-26.4
Work	9,284.7	0.8	-3.3	147,769.6	1.6	0.6
Protective	3,217.5	0.3	-4.6	61,933.6	0.7	5.8
Wood	204.8	0.02	11.9	2,498.6	0.03	29.7
House Slippers	792.2	0.1	15.6	3,373.5	0.04	34.3
All Others						
Men's, Youth's, Boys'	51,819.8	4.6	26.6	747,017.8	8.2	34.8
Women's, Children's, Infants'	227,837.5	20.3	4.4	2,317,675.0	25.4	13.2
Other	1,147.5	0.1	-25.7	10,414.2	0.1	-22.2
Textile Uppers & Rubber/ Plastic Soles, total	222,299.1	19.8	-0.1	759,038.4	8.3	6.0
Sports footwear	63,385.8	5.7	-11.6	387,980.6	4.3	-0.2
Men's, Youth's, Boys'	18,828.3	1.7	-12.0	221,306.1	2.4	-0.9
Women's, Children's, Infants'	12,556.7	1.1	-10.9	110,761.9	1.2	7.4
Other	32,000.8	2.9	-11.6	55,912.6	0.6	-10.5
Protective	600.6	0.1	-9.4	7,692.3	0.1	37.5
House Slippers	13,469.9	1.2	-7.3	22,157.8	0.2	9.7
All Other						
Men's, Youth's, Boys'	15,431.6	1.4	-14.8	66,792.1	0.7	18.6
Women's, Children's, Infants'	103,946.2	9.3	7.7	222,302.8	2.4	11.1
Other	25,465.0	2.3	21.5	52,112.8	0.6	15.8
Textile Uppers-All Others, total (Including Vegetable Fibers, Leather Soles, etc.	48,267.6	4.3	15.2	147,564.6	1.6	10.0
Men's	1,036.1	0.1	-38.8	3,607.5	0.04	-49.0
Women's	18,559.7	1.7	-13.5	83,021.4	0.9	-11.9
Other than Men's & Women's	21,262.4	1.9	58.1	42,908.8	0.5	99.3
House slippers	7,409.4	0.7	39.9	18,026.9	0.2	59.5

Source: Market Research Department, Fairchild Publications
Based on U.S. Bureau of the Census IM 146 reports

Imports (continued)

China remained by far the leading source of non-rubber footwear to the U.S. in 1990, and into 1991. For the first seven months of 1991, non-rubber shoe shipments from China totaled 224.8 million pairs, accounting for 41% of all imported footwear, according to the U.S. Commerce Department. In full year 1990, pairs shipped to the U.S. from China grew 86.3% over the previous year, and were up 127.2% in value. Many shoe makers who have relied on production facilities in China to produce shoes at a low cost, have begun to develop contingency plans to source elsewhere, however, due to the threat by the Bush administration to impose large penalty tariffs on Chinese imports, to retaliate for the unfair trade practices in that country, according to Footwear News.

Imports from Taiwan and South Korea have been falling compared to previous years, due to the shifting of production to lower-cost production areas, such as Indonesia and Thailand. Shoes imported from Indonesia rose 174.7% in 1990 over 1989, as pairs from Thailand grew 36.7%.

Leading Sources of Non-rubber Footwear Imports: 1990
(Quantity in millions of pairs, value in millions of $)

	Pairs			Customs Value			
	Pairs (Mil.)	Share of Total	% Change 1990/89	Value (Mil. $)	Share of Total	Avg. Value Per Pair	% Change 1990/89
Total+	897.5	100.0%	4.3%	$8,408.5	100.0%	$ 9.36	13.0%
All Other	29.8	3.3	-6.9	459.3	5.5	15.41	6.2
Subtotal Top 12 Countries	867.7	96.7	4.8	7,949.2	94.5	9.16	13.5
China	267.4	29.8	86.3	1,278.5	15.2	4.78	127.2
Taiwan	169.1	18.8	-35.5	1,345.5	16.0	7.95	-26.3
Republic of Korea	163.0	18.2	-5.7	2,226.1	26.5	13.65	14.4
Brazil	103.3	11.5	-8.5	1,006.0	12.0	9.74	0.2
Italy	45.7	5.1	9.5	959.6	11.4	20.99	20.3
Indonesia	33.1	3.7	174.7	237.5	2.8	7.17	193.0
Thailand	28.2	3.1	36.7	249.1	3.0	8.83	54.4
Spain	20.9	2.3	-7.6	356.8	4.2	17.06	6.5
Hong Kong	14.0	1.6	-16.9	98.7	1.2	7.06	-10.7
Philippines	9.2	1.0	7.0	27.5	0.3	2.97	-21.8
Mexico	8.2	0.9	-11.6	77.8	0.9	9.49	1.5
Yugoslavia	5.6	0.6	2.9	86.1	1.0	15.39	22.1

+ Excludes disposable footwear and parts

Source: U.S. Department of Commerce
and International Trade Commission

FOREIGN TRADE

Exports

According to the Footwear Industries of America, 9.2 million pairs of non-rubber footwear were exported from the U.S. during the first six months of 1991, a 2.1% decrease over the same 1990 period. U.S. exports of rubber/fabric footwear grew 1.9% over 1990, however, totalling 5.5 million pairs. Combined exports of non-rubber and rubber/fabric shoes declined 0.7% during this time period.

Canada, Japan and Mexico remained the major recipients of U.S. footwear exports in 1990 and into 1991. American shoe manufacturers have also discovered a growing market for their merchandise in Europe, due to the current popularity of American fashions and styling there, and the high quality and hand-sewn construction of American made shoes. According to Footwear News, companies such as Rockport, G.H. Bass, and Eastland are making their first introductions into European markets, encouraged by companies such as Timberland, Sebago and Cole-Haan, who are already enjoying success there.

The demise of the Communist government in Eastern Europe and the Soviet Union, and the movement by these countries toward a market economy, also provides great opportunities for U.S. shoe makers to expand their ties and sell their products to consumers in these regions.

The weaker U.S. dollar encouraged export growth in 1990, as competition in high-cost developing country markets was easier for U.S. products. As a result, total U.S. exports in 1990, for both non-rubber and rubber shoes, were valued at $348.9 million, 41.2% higher than in 1989. Approximately 15% of total exports represented partially assembled footwear, particularly slippers, shipped to developing countries where they were finished, and then re-exported into the U.S., according to the U.S. Industrial Outlook.

Export values below are defined as free alongside ship (f.a.s.) value, U.S. port of export, which excludes the cost of freight, insurance, and any charges or transportation costs beyond the port of exportation.

Value of U.S. Footwear Exports: 1989, 1990
(Value in thousands of dollars)

	1990	1989(r)	% Change 1990/89
Footwear exports, total (excl. parts)	$348,884	$247,098	41.2%
Including footwear parts	478,931	368,672	29.9
Footwear, incorporating a protective metal toe cap, not including sports footwear, total	6,426	4,751	35.3
Waterproof footwear, outersoles/upper rubber/plastic	1,277	1,482	-13.8
Footwear metal TC, sole & uppers rubber/plastic n.e.s.	672	689	-2.5
Footwear metal TC, sole rubber/plastic/leather, uppers leather	4,477	2,580	73.5

(continued)

Exports (continued)

Value of U.S. Footwear Exports: 1989, 1990
(Value in thousands of dollars)
(continued)

	1990	1989(r)	% Change 1990/89
Sports footwear, total	123,143	65,337	88.5
Ski-boots, cross-county footwear, outer sole & uppers/rubber plastic	1,556	769	102.3
Ski-boots, cross-county footwear, outer sole rubber/plastic/leather, uppers leather	774	117	561.5
Sports footwear, outer sole & uppers rubber/plastic n.e.s.	3,168	1,691	87.3
Sports footwear, outer sole rubber/plastic/leather n.e.s	48,870	25,718	90.0
Tennis, basketball, etc. shoes outer sole rubber/plastic	68,775	37,042	85.7
Footwear n.e.s., with outer sole & uppers rubber/plastic, total	24,506	15,489	58.2
Footwear n.e.s., upper not fixed to sole by stitch	3,498	1,810	93.3
Footwear n.e.s., outer sole & uppers of rubber/plastic	21,008	13,679	53.6
Footwear n.e.s., with uppers leather or composition leather, total	161,982	120,291	34.7
Footwear, outer sole leather, leather strap upper, etc.	2,993	2,932	2.1
Footwear, wood base no inner sole or pro metal toe cap	509	1,039	-51.0
Footwear n.e.s., outer sole leather, uppers leather, etc.	143,777	107,347	33.9
Footwear uppers leather, comp leather n.e.s.	14,703	8,973	63.9
Footwear n.e.s. uppers textile	28,722	35,208	-18.4
Footwear n.e.s. outer sole rubber/plastic upper textiles	18,055	24,453	-26.2
Footwear n.e.s. outer sole leather/comp leather, uppers, textile materials	5,358	5,287	1.3
Footwear, uppers tex materials n.e.s.	5,309	5,468	-2.9
Footwear, n.e.s.	4,105	6,022	-31.8
Parts of footwear; removable in-soles, heel cushions and similar articles; gaiters, leggings and parts thereof	130,047	121,574	7.0

(r) revised na not available n.e.s. not elsewhere specified

Source: U.S. Department of Commerce, Bureau of the Census
U.S. Merchandise Trade: Exports, General Imports, and Imports for Consumption FT925

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

The footwear industry continues to be influenced by the demographic trends and shifts currently taking place. A mini baby-boom, which occurred in 1990 and 1991, when each year over 4 million babies were born, is one factor that should have an impact on the sales levels of both infants' and children's shoes in the future. Another factor, which should be of particular interest to makers of casual and walking shoes, is the aging of the population, and of baby boomers in particular, who total approximately 77.8 million. As these more mature consumers shift to low-impact sports (such as golf and walking), the demand for casual/walking footwear should be enhanced. Increased purchases of athletic and casual footwear by people of all ages is also expected, as Americans tend to lead more active lifestyles, and participate in more outdoor activities.

Population Projections: 1992, 2000, 2010

(Middle Series*)

(Number in thousands; Includes Armed Forces Overseas)

	Number (Thousands)			% Change	Percent Distribution		
	1992(p)	2000	2010	2010/1992	1992	2000	2010
MALE							
Total, all ages	124,306	131,191	138,333	11.3%	100.0%	100.0%	100.0%
Under 5 years	9,379	8,661	8,668	-7.6	7.5	6.6	6.3
5 to 9 years	9,507	9,288	8,687	-8.6	7.6	7.1	6.3
10 to 15 years	11,055	11,849	10,955	-0.9	8.9	9.0	7.9
16 years & over	94,363	101,392	110,024	16.6	75.9	77.3	79.5
16 - 19	6,808	7,771	7,753	13.9	5.5	5.9	5.6
20 - 34	30,947	27,551	28,709	-7.2	24.9	21.0	20.7
35 - 54	33,310	40,241	40,018	20.1	26.8	30.7	28.9
55 - 64	10,040	11,557	17,173	71.0	8.1	8.8	12.4
65 & over	13,258	14,273	16,372	23.5	10.7	10.9	11.8
85 & over	990	1,322	1,791	80.9	0.8	1.0	1.3
Median age (years)	32.6	35.2	37.5	15.0	--	--	--
FEMALE							
Total, all ages	130,215	137,076	144,241	10.8%	100.0%	100.0%	100.0%
Under 5 years	8,934	8,237	8,231	-7.9	6.9	6.0	5.7
5 to 9 years	9,060	8,837	8,235	-9.1	7.0	6.4	5.7
10 to 15 years	10,519	11,259	10,391	-1.2	8.1	8.2	7.2
16 years & over	101,703	108,742	117,366	15.4	78.1	79.3	81.4
16 - 19	6,520	7,440	7,410	13.7	5.0	5.4	5.1
20 - 34	30,550	27,198	28,316	-7.3	23.5	19.8	19.6
35 - 54	34,252	40,893	40,391	17.9	26.3	29.8	28.0
55 - 64	11,117	12,601	18,257	64.2	8.5	9.2	12.7
65 & over	19,264	20,608	22,991	19.3	14.8	15.0	15.9
85 & over	2,516	3,300	4,324	71.9	1.9	2.4	3.0
Median age (years)	34.8	37.6	40.3	15.8	--	--	--
Total population:							
Median age (years)	33.7	36.4	39.0	15.7	--	--	--

(footnotes continued)

(footnotes from previous table continued)

(p) projected

* The median is the middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels, none of which can be forecasted exactly. Figures include Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census: Current Population Reports,
Population Projections of the U.S. by Age, Sex and Race, 1988 to 2080
(Series P-25, No. 1018)

RETAIL TRADE

Consumer Expenditures

According to the U.S. Industrial Outlook, per capita consumption of non-rubber footwear increased in 1990 to an estimated 4.43 pairs, from 4.35 in 1989, and from a low of 3.3 pairs in 1980. Personal consumption expenditures on both rubber and non-rubber shoes rose about 0.83% of total (PCE) in 1990, down slightly from 1989. However, PCE in constant 1982 dollars remained unchanged, indicating that unit retail sales were stagnant, and inventories were up.

The Bureau of Economic Analysis, U.S. Department of Commerce, traces the flow of goods and services from source through to the consumer, and reports the supply in terms of a retail value representing personal consumption expenditures. The procedure yields figures higher than sales through retail outlets since it values all goods reaching the consumer, including sales through other than retail outlets.

Personal consumption expenditures are reported by the BEA in current dollars and in constant (1982) dollars.

Personal Consumption Expenditures for Footwear: 1987-1990
(Millions of dollars)

	1990	1989	1988	1987	% Change 1990/89
Current $	$30,977	$29,785	$27,531	$25,884	4.0%
Constant (1982 $)	$26,179	$25,834	$24,838	$24,440	1.3%

Source: U.S. Department of Commerce:
Bureau of Economic Analysis

Consumer Expenditures (continued)

The Bureau of Labor Statistics, Department of Labor, conducts an on-going consumer expenditure survey covering a national probability sample of U.S. households representing the total civilian, non-institutional population of the U.S. The primary objective is to provide information on consumer spending patterns to be used as a basis for revising the Consumer Price Index, as well as to provide information not otherwise available to marketers on household spending in terms of demographic characteristics.

Information on purchases of footwear has been developed and published for the year 1989, projectable to 95,818,000 consumer units in the U.S. - roughly equivalent to U.S. household counts (the term household is used in connection with the figures reported below).

In 1989, expenditures for footwear averaged $189.20 per household, 3.3% less than the figure reported in the 1988 survey. The highest expenditures for shoes were in the Northeast, followed by the West. Spending in the Midwest and South fell below the average reported for all regions.

Pattern in Household Expenditures For Footwear, By Regions: 1989

	All U.S. Households	Households in the-- Northeast	Midwest	South	West
Total number of households(thous.)	95,818	20,101	24,351	31,935	19,430
Percent of total households	100.0%	21.0%	25.4%	33.3%	20.3%
Footwear expenditures per household:					
Mean expenditure*	$189.20	$220.26	$173.23	$176.16	$198.18
Mens' footwear expend.*	50.46	59.00	62.28	39.78	44.29
Boys' footwear expend.*	18.40	15.98	12.98	14.77	33.67
Women's footwear expend.*	95.79	117.99	84.68	91.78	93.11
Girls' footwear expend.*	24.55	27.29	13.29	29.83	27.11

* Expenditures are the average (mean) reported for all households, including those with no spending for footwear in 1989 as well as households with footwear expenditures.

Source: U.S. Bureau of Labor Statistics:
1989 Consumer Expenditure Survey

RETAIL TRADE

Consumer Prices

The Bureau of Labor Statistics issues monthly consumer price indexes covering a full range of goods and services purchased by consumers. Prices for all footwear have increased 2.6% in 1990, compared to a 4.1% increase in 1988. Of all the segments noted below, the highest price increase in 1990 occurred in the women's shoe category, which was up 3.3%, followed by men's shoes, up 3%.

Consumer Price Index for all Urban Consumers
(1982-84=100)

	June 1991	Annual 1990	Average 1989	Percent Change June 91/ June 90	Percent Change Annual Average 1991/90	Percent Change Annual Average 1989/88
All footwear	120.2	117.4	114.4	2.5%	2.6%	4.1%
Men's	128.5	124.5	120.3	3.0	3.5	3.5
Women's	113.5	110.6	109.0	3.3	1.5	4.3
Boys' and Girls'	121.3	120.0	115.5	0.2	3.9	4.0

Source: U.S. Bureau of Labor Statistics

Retail Outlets

Shoe retailers are looking forward to some relief from the current recession, expecting improvements in their sales levels into 1992, according to Footwear News. They are also making efforts to operate more efficiently, by saving money for reorders, relying more heavily on computers to track sales and inventories, and scheduling deliveries to maintain a continuous flow of merchandise thoughout the season. With less inventory on hand, retailers do not have to cut prices as much as they have had to in the past.

An assortment of new shoe styles, and the popularity of casual shoe types, has spurred greater interest and demand by consumers for new shoes. Such growth in the athleisure shoe category has caused all retailers to take the category more seriously. Even athletic specialty stores, which have traditionally prided themselves on their all-sport stance, have given the category more consideration and shelf space, according to SportStyle. The athletic shoe business of the 90's will be fragmented, according to one retail consultant, with fit, function and features becoming more important, and high prices and hype losing ground. Athlete's Foot and Foot Locker are two athletic specialty outlets which have grown incredibly, numbering more than 1,000 stores. Nike has also recently opened up a large store, which is divided into many separate sport departments.

Wal-Mart, Kmart and Payless Shoe Source are three retailers who have continued to grab market share away from national chains, such as Thom McAn and Kinney. In turn, these national chains have been moving into branded goods, to regain market share, by taking it away from independents and department stores, according to Footwear News.

RETAIL TRADE

Retail Outlets (continued)

According to an analysis by Footwear News on footwear retailers, overall, the five listed major footwear retailers recorded an average earnings decline of 19.4% in 1990, on a slim 2.3% sales gain. Sales of apparel are also included in the figures, and are especially a factor with Edison Brothers Stores, where footwear accounted for just 38% of sales.

Leading Footwear Retailers' Operating Results
(Dollar figures in millions)

Company	Sales		Net Profit		Footwear's Contribution			
		% Change		% Change	To Sales		Number of Shoe Stores	
	1990	90/89	1990	90/89	1990	1989	1990	1989
Brown Group	$1,763.8	-3.1%	$31.8	3.1%	88%	88.3%	3,613	3,649
Edison Bros. Stores	1,214.4	13.1	59.0	3.7	38.0	44.6	874	995
Genesco Inc.	476.3	-3.2	-0.4	na	74.7	72.7	613	628
J. Baker, Inc.	421.4	5.6	7.4	-43.8	82.9	100.0	1,450	1,378
Weiner Enterprises	55.1	-4.1	-4.9	na	100.0	100.0	108	114
Retailers, total	3,931.1	2.3	92.8	-19.4	--	--	6,658	6,764

na not applicable

Source: Footwear News, July 8, 1991

Diversified Companies Operating Results
(Dollar figures in millions)

Company	Sales		Net Profit		Footwear's Contribution To Sales	
	1990	% Change 1990/89	1990	% Change 1990/89	1990	1989
May Dept. Stores*	$105,035.0	7.5%	$500.0	-2.9%	13.6%	13.2%
Woolworth**	9,917.0	10.9	317.0	-3.6	32.1	31.2
Melville***	8,686.8	15.0	385.3	-3.2	19.7	22.5
Interco#	1,439.2	-13.1	-176.3	na	45.4	40.7
Philips Van Heusen##	806.3	10.0	26.4	9.1	33.5	32.7
Justin Industries###	314.9	13.3	7.3	1.3	57.6	51.1
Total Diversified	31,199.3	9.5	1,059.6	-18.8	--	--

* Includes Payless Shoe Source.
** Includes footwear and athletic apparel and equipment.
*** Includes Meldisco, Thom McAn and Fan Club.
# Includes Florsheim and Converse.
Includes G.H. Bass & Company.
Includes Justin Boot, Nocona Boot, and Tony Lama.

Source: Footwear News, (July 8, 1991)

RETAIL TRADE

Retail Outlets: Shoe Stores

Monthly and annual figures for retail sales are compiled by the U.S. Bureau of the Census. Total shoe store sales for the first seven months of 1991 amounted to $9.6 billion, only 0.1% higher than sales for the same period in 1990.

Sales estimates include leased shoe departments as separate shoe stores rather than being included in the sales of lessors. Sales for the full year 1990 vs. 1989 are noted below.

Shoe Store Sales: Selected Years 1989, 1990
(Millions of current dollars)

	1990	1989(r)	% Change 1990/89
Shoe stores, total	$17,890	$17,163	4.2%
Stores in chains of 11 or more stores	11,304	10,750	5.2

(r) revised

Source: U.S. Bureau of the Census:
Revised Monthly Sales and Inventories (BR89-R)

Monthly Pattern in Shoe Store Sales, 1989, 1990
(Percent of year's sales by months)

Year	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1990	100.0%	6.4	6.1	8.5	8.8	8.3	8.2	7.6	9.9	8.4	7.9	8.6	11.5
1989	100.0%	6.5	5.7	8.7	8.2	8.5	8.3	7.5	9.7	8.6	8.0	8.7	11.5

Note: Totals may not add to 100% due to rounding.

Source: U.S. Bureau of the Census:
Revised Monthly Sales and Inventories (BR89-R)

The annual County Business Patterns reports, issued by the Census Bureau, provides information on the number of shoe stores by employment size, the latest issue covering 1988. Compared with the count in 1986, a gain of 1,092 stores was reported in 1988.

Number of Shoe Stores By Employment Size Class: 1986, 1988

			Employment Size Class					
	Total		Under 20		20-99		100 or more	
	1988	1986	1988	1986	1988	1986	1988	1986
# of stores	38,525	37,433	38,088	36,939	424	485	13	9
# of employees	203,202	194,620	(D)	178,728	13,085	14,625	(D)	(D)
Annual payroll (mil. $)	$2,035	$1,846	(D)	$1,674	$148	$160	(D)	(D)

(D) Data withheld to avoid disclosure.

Source: U.S. Bureau of the Census:
1988 County Business Patterns

Retail Outlets: Shoe Stores (continued)

Failures involving losses to creditors among shoe stores have been on a steady decline since 1984. There were 250 shoe store failures reported in 1990, 31 more than in 1989.

Shoe Store Failures & Liabilities: 1980-1990

Year	Number	Liabilities ($000)
1980	80	$ 51,330
1981	116	12,148
1982	153	70,170
1983	236	29,876
1984	347	50,621
1985	310	26,113
1986	336	32,707
1987	298	54,434
1988	279	26,292
1989	219	25,610
1990	250	31,782

Source: Dun & Bradstreet, Inc.

Retail Outlets: Department Stores

Merchandising and operating results in the typical department store reporting to the National Retail Federation for the year 1988 are reported below. Shoe sales accounted for 5.8% of total department store sales in 1988, a slight increase from the 4.7% reported a year earlier.

Merchandising & Operating Results of Footwear In All Department Stores: 1988

(Median results)

	Total All Footwear Depts.	Women's, Misses' & Juniors' Footwear	Men's Footwear	Childrens' Footwear
Number of companies reporting:	24	23	9	13
Net sales, % change from last year	- 1.1%	+ 9.0%	+11.7%	+ 8.6%
Sales, % to total store sales	5.8%	4.1%	1.1%	0.3%
$ sales per square foot of selling space	$ 284.0	na	na	na
Cumulative markon, %	50.8%	51.7%	50.7%	48.1%
Gross margin, % of sales (incl. cash discounts)	41.0%	40.8%	42.6%	39.1%
Advertising, % of net sales	3.1%	na	na	na
Selling salaries, % of net sales	11.0%	na	na	na
Number of stock turns (times)	2.0	2.1	1.1	1.3

na not available

Source: National Retail Federation
(formerly National Retail Merchants Association, NRMA)
Merchandising and Operating Results (1989 edition)

RETAIL TRADE

Leading Markets

According to Sales & Marketing Management magazine (1990 Survey of Buying Power, Part 2, November 13, 1990), the top 10 metropolitan areas accounted for 25.5% of total U.S. footwear sales in 1989.

Footwear Sales in Leading Metropolitan Markets: 1989

Area	(Thous. $)	Rank
New York, NY	$1,243,215	1
Los Angeles-Long Beach, CA .	1,187,804	2
Chicago, IL	1,021,353	3
Philadelphia, PA	598,212	4
Washington, DC	545,558	5
Detroit, MI	529,566	6
Boston-Lawrence-Salem-Lowell-Brockton, MA	484,497	7
Nassau-Suffolk, NY	474,386	8
Dallas, TX	445,429	9
Houston, TX	406,907	10
Subtotal	6,936,927	
U.S. total	$27,099,740	

Source: Sales & Marketing Management. November 13, 1990

RETAIL SALES BY MERCHANDISE LINE: 1987 CENSUS OF RETAIL TRADE

Footwear and Footwear Accessories (ML code 260)

Through a complete census of all U.S. retail businesses, the Bureau of the Census, U.S. Department of Commerce, compiles data on broad merchandise line sales by type of retail outlet every five years (for years ending in 7 and 2). Census results for 1987 covering data on store types and on sales by product in outlets with one or more paid employees and key findings are covered below.

Total retail sales of footwear (excluding infants' and toddlers', which are included in infants' wear sales), plus footwear accessories such as polish, laces, shoe trees, etc., reported for outlets with payroll in 1987 amounted to $22.7 billion. Retail outlets numbered 111,310 in 1987, down from 111,607 reported for 1982.

The 1987 sales total represented a gain of 33.6% over the $17.0 billion reported for 1982, on a current dollar basis, without adjustment for inflation. (The U.S. Bureau of Labor Statistics reported average consumer prices in 1987 compared with the 1982-1984 average for men's footwear rose 9.7%; boys'/girls', 5.6%; women's, 1.0%--for an overall increase of 5.1%.)

General merchandise stores increased their sales share in the five year period while shoe stores, particularly women's footwear, lost sales share.

RETAIL SALES BY MERCHANDISE LINE: 1987 CENSUS OF RETAIL TRADE

Footwear/Footwear Accessories Sales Share By Retail Outlet Type

	Establishments*		Sales		% of Sales		% Change
	1987	1982	1987	1982	1987	1982	1987/82
Footwear/footwear accessories, total	111,310	111,607	$22,732.4	$17,016.8	100.0	100.0	33.6%
Shoe stores, total	39,488	36,277	13,874.7	10,958.4	61.0	64.4	26.6
Family shoe stores	25,082	23,298	9,354.4	7,090.8	41.1	41.7	31.9
Men's shoe stores	3,866	4,153	1,206.0	1,075.2	5.3	6.3	2.2
Women's shoe stores	9,272	7,832	3,019.6	2,576.8	13.3	15.1	17.2
Children's/juveniles' shoe stores	1,268	994	294.7	215.7	1.3	1.3	36.6
General merchandise stores, total	24,100	22,703	5,284.3	3,301.3	23.2	19.4	60.1
Department stores**	6,577	5,290	4,502.5	2,685.6	19.8	15.8	67.6
Conventional	1,975	nr	2,268.6	nr	10.0	--	--
National Chain	1,791	nr	1,225.6	nr	5.4	--	--
Discount/Mass Merchandising	2,811	nr	1,008.3	nr	4.4	--	--
Variety stores	8,780	9,377	294.3	310.3	1.3	1.8	-5.2
Misc. general merchandise stores	8,743	8,036	487.4	305.4	2.1	1.8	59.6
Apparel/accessory specialty stores	22,598	21,166	1,901.7	1,586.8	8.4	9.3	19.8
Sporting goods stores	8,331	9,253	747.0	518.3	3.3	3.0	44.1
Catalog/mail order houses	2,907	3,201	616.4	312.3	2.7	1.8	97.4
Other retail outlets	13,926	19,007	308.3	339.6	1.4	2.1	-9.2

nr not reported

* Covers retail outlets with payroll selling footwear and accessories. Each store location is separately counted.

**Leased shoe departments operating in department stores are not included, but are counted as separate shoe stores. For description of types of department stores, see page 45.

Footwear and Footwear Accessories (ML code 260)

Out of $22.7 billion in retail sales of footwear and footwear accessory items reported for outlets with payroll in 1987, details on types of footwear sales for leading outlet types were reported with a sales value of $20.8 billion, or 91% of the total. Available specific information is noted in the following summary table.

RETAIL SALES BY MERCHANDISE LINE: 1987 CENSUS OF RETAIL TRADE

Specified Merchandise Types

	Establishments*	Sales	% of lines Reported total
Estimated Grand Total		$20,793,928	--
Men's and boys' footwear*			
Estimated total	47,395	4,697,028	100.0%
Reporting store types:			
Shoe stores	28,254	3,120,207	66.4
Family shoe stores	22,715	1,975,055	42.0
Men's shoe stores	3,866	1,076,483	22.9
Women's shoe stores	1,518	66,686	1.4
Children's/juveniles' shoe stores	155	1,983	**
Department stores, total:	6,010	1,015,268	21.6
Conventional	1,520	299,755	6.4
National chain	1,790	465,513	9.9
Discount/mass merchandising	2,700(e)	250,000(e)	5.3
Apparel specialty stores, total	13,131	561,553	12.0
Family clothing stores	8,160	339,795	7.2
Men's clothing stores	4,221	204,644	4.4
Women's clothing stores	599	15,101	0.3
Children's wear stores	151	2,013	**
Women's and girls' footwear*			
Estimated total	53,527	$9,368,974	100.0%
Reporting store types:			
Shoe stores	32,729	6,181,182	66.0
Family shoe stores	22,692	3,406,030	36.4
Women's shoe stores	9,272	2,745,293	29.3
Children's/juveniles' shoe stores	276	7,910	0.1
Men's shoe stores	489	21,949	0.2
Department stores, total	6,439	2,309,649	24.7
Conventional	1,948	1,554,797	16.6
National chain	1,791	344,852	3.7
Discount/mass merchandising	2,700(e)	410,000(e)	4.4
Apparel specialty stores, total	14,359	878,143	9.4
Family clothing stores	8,425	580,807	6.2
Women's clothing stores	4,946	268,594	2.9
Women's accessories/specialty stores	189	10,751	0.1
Men's clothing stores	665	15,708	0.2
Children's specialty stores	134	2,283	**
Children's footwear*			
Estimated total	32,078	$1,599,166	100.0%
Reporting store types:			
Shoe stores, total	22,871	1,210,142	75.7
Family shoe stores	20,307	874,001	54.7
Children's/juveniles' shoe stores	1,268	251,589	15.7
Women's shoe stores	1,048	79,438	5.0
Men's shoe stores	248	5,114	0.3
Department stores, total	4,340	316,731	19.8
Conventional	1,054	182,588	11.4
National chain	1,786	63,643	4.0
Discount/mass merchandising	1,500(e)	70,500(e)	4.4
Apparel specialty stores			
Family clothing stores	4,440	64,660	4.0
Children's specialty stores	427	7,633	0.5

(continued)

RETAIL SALES BY MERCHANDISE LINE: 1987 CENSUS OF RETAIL TRADE

Specified Merchandise Types (continued)

	Establishments*	Sales	% of lines Reported total
Athletic Footwear			
Estimated total	41,184	$ 4,542,638	100.0%
Reporting store types:			
Shoe stores	22,116	2,777,067	61.1
Men's shoe stores	1,212	59,289	1.3
Women's shoe stores	771	23,911	0.5
Children's shoe stores	263	16,569	0.4
Family shoe stores	19,870	2,677,298	58.9
Sporting goods stores	7,284	669,883	14.7
General line stores	4,836	587,633	12.9
Specialty line stores	2,448	82,250	1.8
Department stores***	5,096	852,793	18.8
Conventional	1,307	228,354	5.0
National chain	1,789	344,439	7.6
Discount/mass merchandising	2,000(e)	280,000(e)	6.2
Apparel specialty stores	6,688	242,895	5.3
Men's wear stores	932	29,494	0.6
Women's accessory stores	83	2,350	0.1
Family clothing stores	5,673	211,051	4.6
Footwear Accessories (laces, polish, shoe trees, etc.)			
Reporting store type:			
Shoe stores	30,000	586,122	100.0

(e) estimated by Fairchild Market Research Department

* Includes dress and casual shoes, not athletic footwear which is separately reported by some major outlet types, as shown above.

** Less than 0.1%

*** Sales of leased departments are not included. Leased departments are separately counted as retail stores in the kind of business they conduct. The department store descriptions are as follows: Conventional - Department stores which provide checkout service and customer assistance within each department; usually have a catalog order service; are affiliated with a company which operates similar stores on a national basis; often sell soft and hard goods which are their own brands or are unbranded. Discount or Mass Merchandising Department Stores - convey the image of high-volume fast turnover at less than conventional prices; provide centralized checkout service; are usually self-service. Do not have a catalog order service.

Source: U.S. Bureau of the Census: 1987 Census of Retail Trade (RD87-S-3) and the Fairchild Market Research Department

RETAIL SALES BY STORE TYPE: 1987 CENSUS OF MANUFACTURES

Shoe Stores

Shoe stores (with payroll) (SIC 566): 1987 and 1982

Shoe stores are classified by the type of shoe in which they specialize and which are more than three times the combined sales of other types of footwear. The 1987 SIC definition is the same as the 1972 SIC. Leased shoe departments operating in department stores, etc., are classified as shoe stores.

Family shoe stores (SIC 566 part) primarily sell footwear for both men and women, and may also sell children's footwear, with no one of these groups accounting for more than three times the sales of the other two groups combined. This classification includes stores primarily selling athletic footwear and accessories.

More detailed information on shoe stores, comparing 1987 census data with that of 1982, as reported in the 1987 Census of Retail Trade, is included in the 1990 Footwear Fact File. This data includes single and multiunit firms operating shoe stores, concentration of the largest firms operating shoe stores, and a distribution of shoe stores and sales by sales size.

From 1982 to 1987, the number of shoe stores specializing in the sale of men's and boys' footwear declined over 12.0%, but sales (in current dollars) were up 12%. Other types of shoe stores gained in both number and sales, particularly children's/juvenile's shoe stores. However, these represented only 3% of the shoe store count.

1987 Shoe Store Counts and Sales*

	All Stores		Stores With Payroll		Stores Without Payroll	
	Number	Sales	Number	Sales	Number	Sales
Shoe Stores (SIC 566)	43,340	$14,593.9	39,488	$14,410.8	3,852	$183.1

*Figures include leased shoe departments.

Shoe Stores With Payroll: 1982, 1987
(Dollar figures in millions, current dollars)

	Number of Stores*			Sales		
	1987	1982(r)	% change	1987	1982	% change
Shoe stores, total	39,488	38,506	2.5%	$14,410.8	$11,275.4	27.8%
Men's/boys' shoe stores	3,866	4,411	-12.3	1,246.5	1,110.7	12.2
Women's/girls'shoe stores	9,272	8,306	11.6	3,122.8	2,633.1	18.6
Children's/juveniles' shoe stores	1,268	1,052	20.5	296.6	218.0	36.1
Family shoe stores	25,082	24,737	1.4	9,744.8	7,313.6	33.2

*Covers stores in operation anytime during the year.
(r) revised. In the 1982 Census a total of 36,277 stores with payroll in operation at the end of the year was reported.

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-A-52, RC87-N)

RETAIL SALES BY STORE TYPE: 1987 CENSUS OF RETAIL TRADE

Shoe Stores: Sales Size of Stores with Payroll

Summary of Sales Concentration Among Shoe Stores: 1987

Store Type (In operation entire year)	Percent of Total By Store Type Accounted for by Stores with Annual Volume of $1 million or more — Stores	Sales
Shoe stores, total	4.6%	18.8%
Men's shoe stores	3.8	21.1
Women's shoe stores	3.6	16.5
Children's/juveniles' shoe stores	0.9	4.2
Family shoe stores	5.3	19.5

Source: Based on U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-S-1)

Number and Shoe Stores By U.S. Regions: 1987

	Stores		Sales	
	Number	%	Mil. $	%
Shoe stores, U.S. total	39,488	100.0%	$14,410.4	100.0%
New England	2,196	5.6	888.5	6.2
Middle Atlantic	6,787	17.2	2,695.7	18.7
East North Central	6,705	17.0	2,389.1	16.6
West North Central	2,737	6.9	850.8	5.9
South Atlantic	7,291	18.5	2,629.4	18.2
East South Central	2,390	6.0	672.6	4.7
West South Central	4,391	11.1	1,537.8	10.7
Mountain	1,957	5.0	676.1	4.7
Pacific	5,034	12.7	2,070.4	14.3

Source: Based on U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-A-52)

CONSUMER PURCHASE PATTERNS

Footwear Market Index (FMI), a service of Footwear Market Insights in Nashville, Tennessee, conducts private tracking studies measuring consumer purchases among nationwide samples of U.S. households. FMI tracks footwear purchases on a regular basis, covering 30,000 households three times a year. In 1990, consumer spending on athletic footwear totaled $11.9 billion, and $19.1 billion for non-athletic footwear, for a total of $31 billion. Other findings (primarily based on purchases tracked in 1989 and 1990) on the number of pairs purchased, place of purchase, etc., follow. Note: Footwear classifications are based on shoe size, not age of wearer.

Projected Total Purchases By Type of Footwear
(Pairs in millions)

	1990	1989	1988	Percent Change 1990/89	1989/88
Non-athletic	597.9	600.0	594.2	-0.4%	0.1%
Athletic	393.0	388.2	376.8	1.2	3.1
TOTAL	990.9	988.6	971.0	0.2	1.8

Source: Footwear Market Insights: Footwear Market Index (FMI)

CONSUMER PURCHASE PATTERNS

Distribution of Footwear Purchases (Pairs) By Market Segment: 1989, 1990

	1990	1989	% Point Change 1990/89
Total footwear purchases	100.0%	100.0%	--
Men's	26.6	27.4	-2.9%
Women's	54.7	54.0	1.3
Boys'	6.5	6.8	-4.4
Girls'	6.1	5.8	5.2
Infants'	6.1	5.9	3.4

Distribution of Purchases of Non-rubber & Rubber/Fabric Footwear By Type of Shoe: 1989, 1990

Shoe Types:	Men's		Boys'		Women's		Girls'	
	1990	1989	1990	1989	1990	1989	1990	1989
Total (mil. pairs)*								
Percent#	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Dress	22.5	23.5	10.8	10.4	31.2	32.0	21.5	21.8
Casual	10.7	10.5	6.7	7.0	18.9	18.3	12.4	12.9
Sandals	--	--	--	--	10.0	10.4	8.4	7.5
Athletic	49.1	47.7	76.4	77.2	31.3	30.5	50.1	50.4
Work/duty	11.2	12.0	1.0	1.3	2.9	2.7	0.1	0.3
Western/casual boots	2.3	2.8	1.6	1.2	0.9	1.0	1.3	1.4
Fashion boots	--	--	--	--	1.3	1.5	1.3	0.9
All other	4.1	3.5	3.3	2.9	3.5	3.6	5.0	4.8

* Includes rubber & rubber/fabric footwear except slippers or protective footwear

# Total percent may not equal 100% due to rounding.

Distribution of Total Footwear Purchases (Pairs) By Place of Purchase: 1989, 1990

	Men's		Women's		Boys'		Girls'	
	1990	1989	1990	1989	1990	1989	1990	1989
Total Percent#	100%	100%	100%	100%	100%	100%	100%	100%
Department stores	9.8	9.0	15.2	15.7	7.7	6.8	8.5	7.7
Apparel specialty	2.0	2.2	2.1	2.3	1.5	1.0	0.8	0.8
Sporting goods/pro shops	9.0	8.1	2.5	2.5	3.7	2.9	1.2	1.3
Shoe stores*	32.5	32.7	39.0	37.1	36.1	38.0	34.5	38.7
Mail order	4.3	4.6	3.0	2.8	0.7	0.4	0.5	0.5
Factory outlets	3.2	2.6	2.5	2.7	1.2	1.3	0.8	1.1
Discount stores**	21.1	21.9	22.4	22.1	36.8	35.9	43.0	38.1
Sears, Penney's, Ward's	6.4	12.4	9.1	9.8	9.3	9.7	7.6	8.2
All other outlets	6.7	6.7	4.4	5.1	3.3	4.2	3.3	3.8

* Also includes Thom McAn/Kinney, athletic and self service shoe stores

** Includes variety stores

# Total percent may not equal 100% due to rounding.

Source: Footwear Market Insights: Footwear Market Index (FMI)

CONSUMER PURCHASE PATTERNS

Athletic Footwear/Comfort Footwear

After nearly a decade of explosive sales growth of athletic shoes, a redefined market has emerged, which combines athletic construction with casual styling in one shoe, and offers the benefits of the comfort and fit found in performance shoes, with the flair of fashion footwear, according to Footwear News. Sales in this new transitional category have been growing, and have been cutting into athletic shoe sales, as more consumers demand comfort features, and seek alternatives to typical sport shoe styles. FMI reports that comfort has become the key buying influence in all men's and women's footwear, outstripping fit, price and even style. 46% of women and 38% of men interviewed, cited comfort as their top priority. As a result, some athletic firms have presented spin-off lines to satisfy this market, while others are skeptical that the casual trend will have a sustained sales life.

The new "athleisure" segment gives fashion footwear firms the opportunity to compete with the traditional athletic brands that have stolen large chunks of their business in the 1980's. Many of these firms are offering canvas vulcanized casuals at attractive prices with fashionable styling and comfort. Because of this shoe's widespread appeal, canvas has probably become one of the fastest growing areas in the athletics market, according to Footwear News.

The U.S. athletic footwear market saw mild growth in 1990, according to the Sporting Goods Manufacturers Association (SGMA). 1990 sales of athletic shoes reached $11.9 billion, 10% greater than in 1989, while unit sales hit 393 million pairs, just 1% ahead of 1989. This market is projected to grow 6% in 1991. The athletic shoe's share of the overall footwear market remained stagnant at 40%, due to higher price increases. The average price rose 17.7% from 1988 to 1990, compared to a 9.7% increase for general shoes.

In 1990, there was strong growth reported in the basketball, running and walking shoe categories. As reported by SGMA, consumer purchases of basketball shoes grew 46% to $427.6 million, while running shoe purchses were up 25% to $645.2 million. The walking shoe category showed a strong 22% increase, with sales totaling $1.5 billion, while golf shoe sales also rose 22%, but on a much more modest volume.

After several years of little or no growth, sales of tennis footwear rose from $780 million in 1989 to $800 million in 1990, and manufacturers expect that number to continue to climb during the coming year. Sales in this category have not been increasing the way the athletic category as a whole has been, due to some degree to the cross training category, according to Footwear News. Although cross training shoe sales are still growing, they are slowing down, and in turn, a growth is expected in the tennis category.

Athletic Footwear (continued)

The SGMA reports on athletic footwear purchases from 1988 to 1990. This data shows that dollars spent on men's athletics increased 10.4% , while units fell 1.6%, in 1990 vs. 1989, reflecting the high price increases in this market. Purchases of women's sport shoes rose 9.9% in dollars and 3.8% in pairs.

Athletic Footwear Purchases: 1988-1990

	1990	1989	1988	% Change 1990/89
Billions of dollars	$11.9	$10.9	$9.7	9.2%
Men's	5.1	4.6	4.4	10.9
Women's	4.7	4.3	3.6	9.3
Juvenile	2.1	2.0	1.8	5.0
Millions of pairs	393	389	377	1.0
Men's	122	124	129	-1.6
Women's	163	157	139	3.8
Juvenile	108	107	109	0.9

Source: Sporting Goods Manufacturers Association, SportStyle (4/22/91)

Men's athletic shoes accounted for 42.9% of the total market in 1990, according to Footwear Market Insights.

Pattern in Athletic Footwear Purchases: 1989, 1990
(Based on pairs)

	1990	1989	% Change 1990/89
Total, all types	100.0%	100.0%	--
Athletic	42.9	42.6	0.7%
Men's	39.3	39.2	0.3
Women's	17.8	18.2	-2.2

Source: Footwear Market Insights:
Footwear Market Index (FMI), Nashville, TN

The majority of athletic shoe purchasers are fairly affluent, according to FMI. Only 11.2% of the men's athletic shoe market earns under $10,000, while almost half of the market claims household incomes of over $30,000. In the women's athletic shoe market, the average household income for consumers was close to $30,000.

Household Income of Athletic Shoe Buyers: 1990

Income	Male	Female
Under $10,000	11.2%	15.0%
$10,000 to $19,999	22.4	25.8
$20,000 to $29,999	19.9	19.4
$30,000 to $39,999	21.9	19.1
$40,000 and over	24.5	20.6

Source: Footwear News (July 1991)
Based on Footwear Market Insights surveys.

Athletic Footwear (continued)

Almost half of the entire athletic shoe market is non-performance footwear, or sneakers, as reported by Footwear Market Insights. In 1990, 46.5% of all athletic shoes sold were sneakers, down 1.9% from 1989, when it hit a five year high of 48.4%.

In the performance shoe category, running shoes were most popular, claiming 18.1% of the total market. The biggest growth for the year was in aerobics/fitness shoes, which increased 1.2% from 1989. Basketball shoe totals passed tennis shoes since 1987, and have continued to pull ahead each year.

Percent of Athletic Shoe Purchases By Type of Shoe Category: 1990

	Market Segment		
	Total	Men	Women
Sneakers (non-performance)	46.8%	32.3%	33.9%
Running shoes	18.1	23.7	17.8
Aerobic/fitness	10.8	4.9	19.9
Basketball	10.5	21.4	2.7
Tennis	7.7	11.1	7.0
All other styles	6.4	6.6	18.7

Source: Footwear News (August 1991)
Based on Footwear Market Insights surveys.

1990 Athletic Footwear Purchases By Type
(In millions of dollars)

Walking shoes	$1,509
Gym shoes/sneakers	1,177
Jogging/running shoes	645
Tennis shoes	582
Basketball shoes	428
Aerobic shoes	389
Hiking shoes/boots	295
Cross training shoes	271
Boat/deck shoes	264
Fitness/workout shoes	261
Golf shoes	157
Volleyball shoes	86
Baseball/softball shoes	76
Soccer shoes	63
Football shoes	50
Bowling shoes	47
Water sport shoes	45
Racquetball shoes	26

Source: National Sporting Goods Association

CONSUMER PURCHASE PATTERNS

Athletic Footwear (continued)

Most men and women purchased their athletic shoes in discount stores in 1990. Sporting goods stores were the second most shopped outlet by men, while department stores ranked second for women, according to FMI.

Athletic Footwear Purchases by Type of Retail Outlet: 1990, 1989
(Percent of total purchases)

	Men		Women	
	1990	1989	1990	1989
Total	100.0%	100.0%	100.0%	100.0%
Sears/Penney/Ward	12.0	12.0	11.9	12.2
Department Stores	9.0	8.5	13.4	13.4
Discount Stores	24.0	25.2	27.4	27.1
Shoe stores	9.5	11.5	12.6	12.6
Athletic shoe stores	10.7	8.4	5.6	5.0
Self-service	6.2	6.5	10.4	9.6
Sporting Goods	15.3	14.7	7.2	7.1
All other	13.3	13.2	11.5	13.0

Source: Footwear Market Insights
Footwear Market Index (FMI), Nashville, TN.

FACT FILE SPECIAL EDITIONS

Statistical Analysis of Retailing: A detailed statistical summary of retail trade in the U.S. based on the findings in the 1987 Census of Retail Trade issued by the U.S. Census Bureau in 1989. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, geographical changes, etc.

Merchandise Sales By Retail Outlet: Based on U.S. Census Bureau data issued in 1990, this special study covers sales in a wide range of product lines using retail outlets, including apparel, footwear, sporting goods, home furnishings, food and drugs. Sales are detailed, and trends analyzed on market shares held by major outlet types, using Census of Retail Trade data, which is published only once every five years. A must for marketing and merchandising people.

The Impact of a Maturing Market: Covers the implications for marketers of the changing lifestyle of an aging population, focusing on market segments within the mature market. The baby boomers now mostly in their 30s and 40s are an important aspect of this market. Many are confronting new developments affecting their careers and income prospects as the country enters a recession. The older population is setting a new course in lifestyles, with improvement in income, health and longevity. Available data on current developments and outlook for segments within the 30-plus U.S. population are covered.

SCHEDULE OF ADDITIONAL FACT FILES

The Children's Market: Infants', Toddlers', Girls' and Boys' (Apparel, Juvenile Products, Toys/Dolls): Covers demographic trends affecting this market, including births, population projections by age, and characteristics of households with children. Includes detailed information on the U.S. children's wear industry, including production and shipments, foreign trade and price trends. Also covered are market trends for juvenile products (cribs, strollers, etc.) and for toys, games and dolls.

Consumer Market Developments: An annual overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market--living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

Dresses and Washable Service Apparel (Women's, Misses' & Juniors'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, washable service apparel, ensembles, etc. Includes number and size of manufacturers, production, and value of shipments, industry location and trends in employment levels. Analyzed is the governing impact of imports on total U.S. market supply. Retail sales by major type of retail outlet are covered, as well as growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

Fashion Accessories (Men's, and Women's): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

Footwear (Men's, Women's, Boys', Girls'): An annual statistical summary of the U.S. footwear industry and U.S. market. Covers domestic production and shipments, and details trends in imports and their share of the domestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

Home Textiles & Related Products: Includes the latest statistics on the U.S. industry, including manufacturers of a wide variety of products--bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

Hosiery/Legwear/Bodywear (Men's, Women's, Boys', Girls'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections, and estimates are included on retail sales of major products by type of retail outlet.

Household Appliances, Electric Housewares: Covers a broad range of products included in these two classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

Household Furniture and Bedding: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

Men's Clothing and Furnishings: Provides a summary of major market trends in the men's furnishings/work/career apparel area and the tailored clothing areas, as well as in the rainwear area. Covers production and shipment information, employment trends, manufacturer concentration levels, location of the industries. Also examines import/export material. There's a look at the consumer market, plus in-depth details covering the retail level including sales and operating results for men's furnishings/work/career apparel/and tailored wear in both department and men's wear stores.

Men's Sportswear, Casual Wear, Outerwear: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

The Sports/Fitness/Leisure Markets: Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specified products, concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics and sports participation levels and purchases of specific sports equipment.

Sportswear, Casual Wear, Separates (Women's, Misses' and Juniors'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, seasonal patterns, and consumer buying habits.

The Textile/Apparel Industries: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed, as well as quota developments. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

Toiletries, Cosmetics, Fragrances and Beauty Aids: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures and foreign trade. Consumer expenditures by product are detailed as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specified products.

Women's Inner Fashions: Nightwear, Daywear and Loungewear: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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FACT FILE

Market Research Division
Fairchild Fashion & Merchandising Group
New York

Fashion Accessories
(Men's and Women's)

FAIRCHILD FACT FILE

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Eleanor H. Powers, Director
Fairchild Book Division

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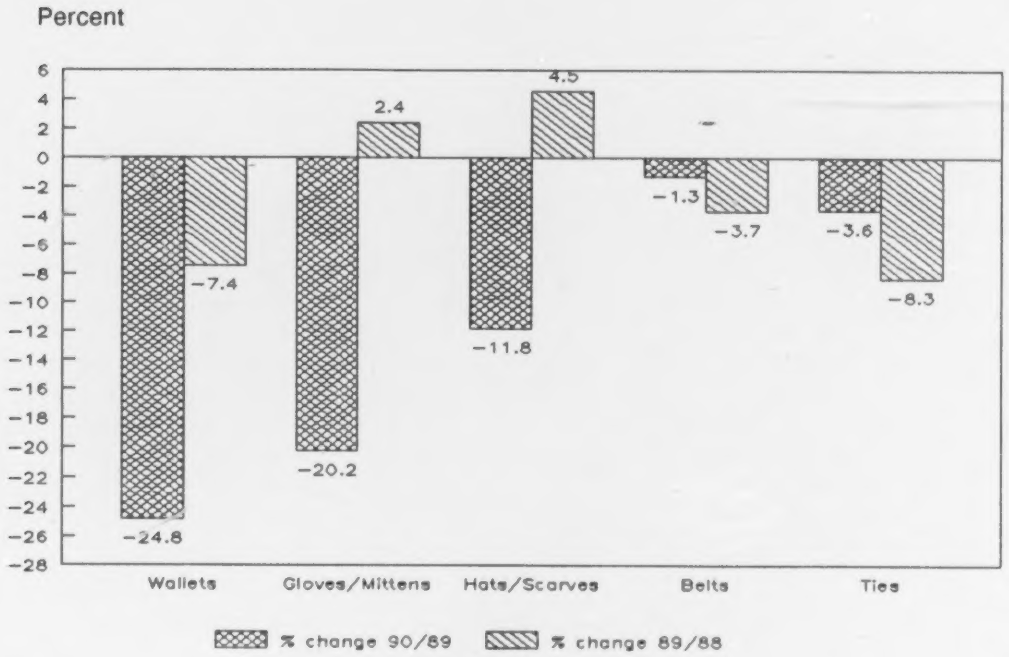
Percent Growth or Decline of Specified Men's Accessories Categories

% Change 1990/1989, 1989/1988

Units



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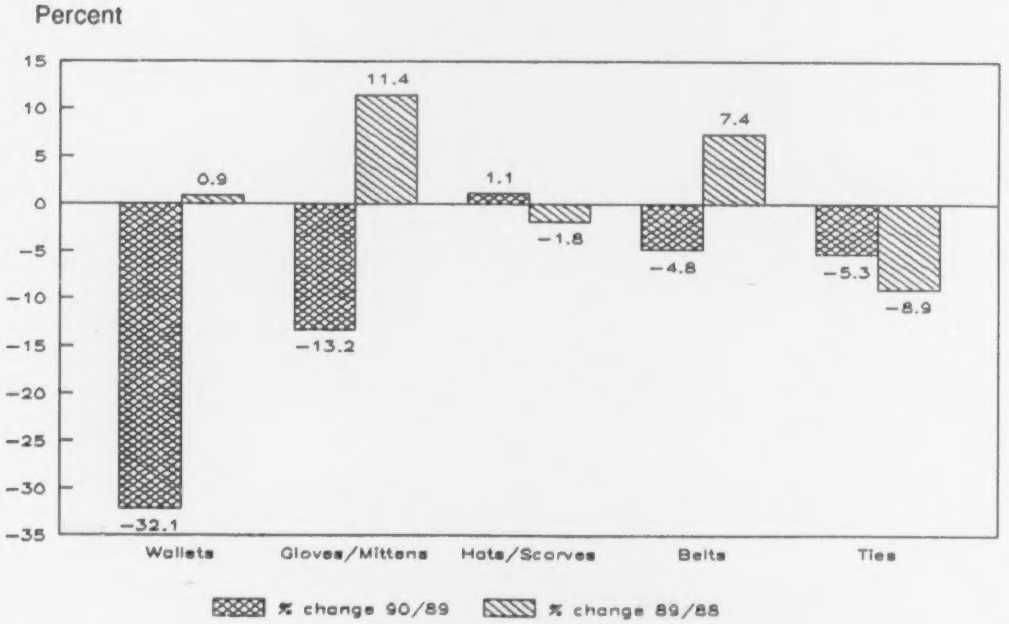
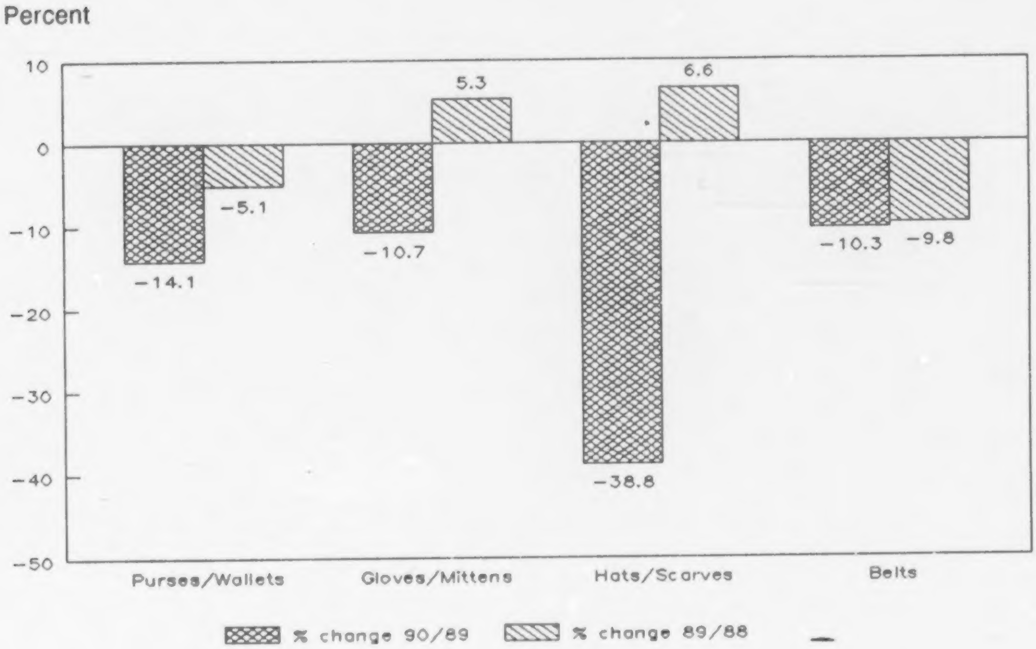


Source: MRCA Information Services

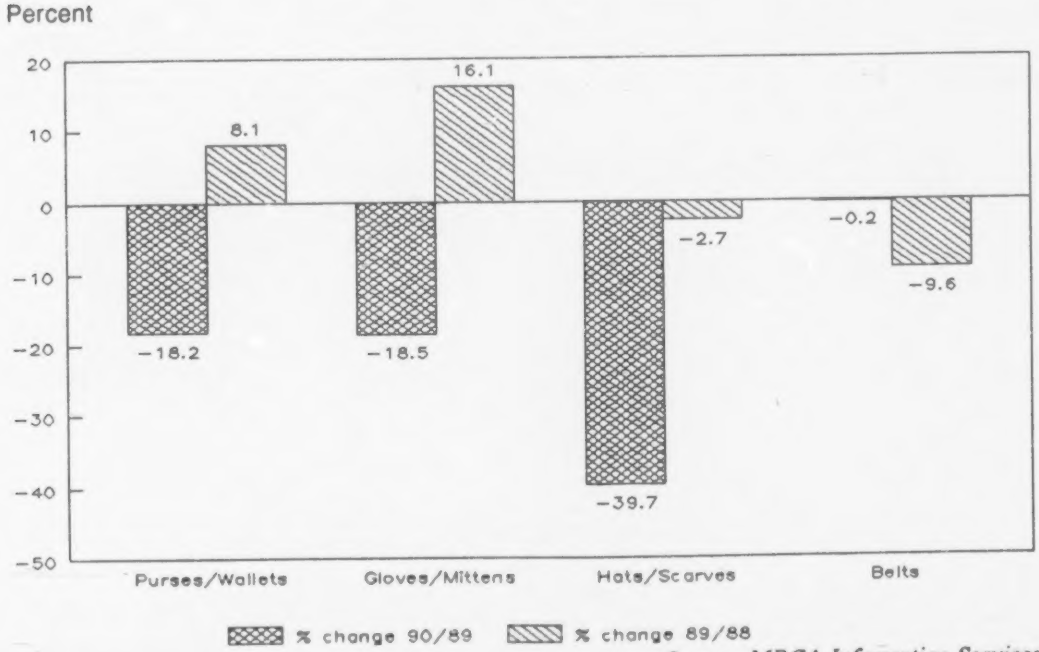
Percent Growth or Decline of Specified Women's Accessories Categories

% Change 1990/1989, 1989/1988

Units



Dollars



Source: MRCA Information Services

FASHION ACCESSORIES
(MEN'S AND WOMEN'S)

MARKET TRENDS

While the accessories business is expected to move ahead in 1992, the pace will be moderate, as many consumer-driven categories have been negatively impacted by the weak economy and a decline in consumer spending.

Accessory categories are, however, outperforming other areas of apparel. There is a general belief in the industry that in difficult economic times, consumers are likely to purchase accessories over apparel, since they are an inexpensive way to update a wardrobe. For the first nine months of 1991, MRCA information services report that sales of all women's apparel dipped 1.5% while accessory purchases increased slightly.

With less traffic in stores, vendors and retailers have been experimenting with a variety of marketing and merchandising strategies to help stimulate sales of accessories. Newness and novelty in merchandise as well as presentation are among strategies being developed to entice consumers. Increased attention to service, including in-store sales training to inform salespeople about products, is a widely used strategy. Vendors are developing new systems to monitor stock levels so that they may react more quickly to merchandise that is selling.

One merchandising strategy that fashion jewelry firms are experimenting with are in-store boutiques. This system of merchandising, which closely emulates cosmetics, draws consumer attention to particular brands. This concept has been highly successful for some firms, such as Carolee fashion jewelry, but most vendors have been discouraged by the expense and constant care that boutiques require.

Licensing is becoming an increasingly popular trend in accessories as a variety of players, including apparel designers and sportswear companies, enter into the business through licensing agreements. One example is JH Collectables, a women's sportswear firm, which moved into accessories with a line of handbags, belts, and small leather goods.

As the signature handbag business slips, offering opportunities in areas such as bridge and better-priced merchandise, there has been an influx of new entries into the handbag market through licensing agreements. Some of these players are J.G. Hook, Ellen Tracy, Jones New York, Adolpho, and Leslie Fay.

Innovation, creativity and newness in accessories is driving the business and stimulating sales, according to vendors and retailers. In the handbag market, recent innovations boosting sales are the revival of top handle bags, quilted styles, structured shapes and bright colors such as red, yellow, and orange. Mini-bags and wallets on a string are also gaining popularity. Fashion gloves in novelty fabrics such as plaid and houndstooth, as well as gloves with trims such as pearls, hearts, and other jewelry ornaments are in demand.

While handbags and jewelry were cited by retailers as the top classifications for Spring 1992, the areas that will see the biggest growth compared to last year include sunglasses, hats, belts, gloves, fashion jewelry, handbags and watches. Some top spring resources cited were Fossil, Guess, and Swatch watches; Carolee fashion jewelry; Christian Dior Jewelry; and Echo and Nichole Miller scarves.

EXECUTIVE SUMMARY

Size of the Market

Estimates on the size of the accessories market vary, due to the wide variety of products included in the accessories category, and a lack of a standard definition. Some trade sources, however, estimate retail sales at about $14-$17 billion annually (jewelry not included in this estimate).

Estimates on the value of individual components in the accessories market, from a variety of trade and government sources, are noted below:

Women's Accessory Sales By Item
Full Year 1989, 1990; Jan.-Sept. 1991

Estimated Dollars (mil.)

	Full Year				Jan.-Sept.	
			% Change			% Change
	1990	1989	90/89	89/88	1991	1990/89
Total	$2,365.8	$2,948.7	-19.8	4.4	$1,545.6	0.4
Purses/Wallets	1,443.9	1,765.2	-18.2	8.1	1,092.2	9.2
Gloves/Mittens	234.2	287.4	-18.5	16.1	80.6	13.9
Hats/Scarves	323.6	536.3	-39.7	-2.7	150.8	-28.6
Belts	283.9	284.4	- 0.2	-9.6	167.3	-19.5
Other Accessories	80.3	75.4	6.6	-3.8	54.7	10.2

Men's Accessory Sales By Item
Full Year 1989, 1990; Jan.-Sept. 1991

Estimated Dollars (mil.)

	Full Year				Jan.-Sept.	
			% Change			% Change
	1990	1989	90/89	89/88	1991	1990/89
Total	$1,306.2	$1,457.5	-10.4	- 1.8	$847.2	29.4
Wallets	104.9	154.5	-32.1	0.9	73.2	79.7
Gloves/Mittens	205.6	237.0	-13.2	11.4	66.5	-43.0
Hats/Scarves	142.2	140.6	1.1	- 1.8	87.7	12.9
Belts	216.1	226.9	- 4.8	7.4	162.4	30.3
Ties	568.3	599.8	- 5.3	- 8.9	407.5	22.7
Other Accessories	69.2	98.8	-30.0	- 6.2	49.9	51.6

Source: MRCA Information Services

- * Jewelry sales (including precious metal jewelry, costume jewelry and watches) reached $24.8 billion in 1990, up from $24.2 billion in 1989 ....Jewelers' Circular-Keystone

- * The costume jewelry market is estimated at $2.5-$4 billion. Five percent annual growth is expected for the next five years for this category.... Trade sources

EXECUTIVE SUMMARY

(continued)

- * Industry experts estimate U.S. watch and clock sales at $2 billion but some say the value is as high as $5 million...Jewelers' Circular-Keystone

- * Sales of luggage declined a slight 0.7% in 1990 to $2,590 million, after increases of 4% and 7% in 1988 and 1989. Sales of business cases fell a sharp 15% in 1990, after an 8% increase during the prior year. Trunk sales improved 7% in 1990 to 30.6 million....Showcase magazine

- * Sales of personal leather goods were $975.2 million in 1990, the same figure reported for 1989. 1990 marked the first year of no-growth in the personal leather goods industry since the 1982-1983 recession.... Showcase magazine

- * Employment levels fell for all accessories categories tracked by the government for the full year 1990 compared to 1989. The largest employment declines occurred in the handbag and personal leather goods industries (-9.8%)...U.S. Department of Labor

- * Personal consumption expenditures for jewelry and watches rose 4.4% in current dollars, but declined by 4.1% in constant dollars (elimating the effects of inflation) for 1990. Expenditures for all clothing and accessories rose 4.2% in current dollars, but fell 0.2% in constant dollars in 1990...U.S. Department of Commerce

- * Slightly less than two-thirds of accessory purchases (not including jewelry and watches) were made at department stores in 1987...1987 Census of Retail Trade

- * Jewelry stores, with about $11 billion in jewelry sales in 1987, accounted for the largest percentage of jewelry purchases (53%)...1987 Census of Retail trade.

- * Consumer prices for watches and jewelry rose 8.3% in 1990 compared to 1989....U.S. Department of Labor

- * Imports of neckwear, gloves, and costume jewelry declined in 1990 while imports of headwear, luggage, handbags, and costume jewelry increased. U.S. International Trade Commission

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

Recent Performance and Forecast

The International Trade Administration compiles annual projections on industry shipments for a limited number of accessories categories, based on Census Bureau reports. The ITA reports on both a current and constant dollar basis, the latter eliminating the effects of inflation.

Jewelry demand, like the demand for other personal consumer durables, is cyclical, and is heavily influenced by changes in disposable personal income, personal comsumption expenditures, and consumer confidence. The anticipated decline of these indicators in 1991 has led to an unfavorable short-term forecast for the jewelry industry. In 1991, constant dollar shipments of precious metal jewelry are expected to decline 3% and shipments of costume jewelry are expected to fall 1%, according to the ITA.

When examining jewelry shipments by type, the data reveals that the proportion of costume jewelry shipments, compared to precious metal, has improved. Consumer demand appears to be shifting to costume jewelry due to rising precious metal jewelry prices as well as consumers' reluctance to spend money on luxury items in difficult economic times.

Although short-term prospects for the jewelry industry are gloomy, the ITA sees a more favorable long-term picture, driven by such factors as foreign trade (exports) and demographics. Between 1990 and 1995, product shipments (in constant $) are projected to increase at a compound rate of 1.5% annually for precious metal jewelry and 1.0% for costume jewelry.

In the leather and leather products group, shipments of all noted product lines are expected to decline in 1991, except for personal leather goods, which are forecasted to increase slightly. The sluggish economy and increases in import penetration are factors leading to a slowdown in shipments of these products.

Value of Industry Shipments: 1988-1991
(Dollar figures in millions)

					% Change		
	1991(f)	1990(e)	1989(e)	1988	90/91	89/90	88/89
Leather & Leather Products:							
Leather gloves/mittens							
Current dollars	na	$212.0	$205.0	$191.0	--	3.4	7.3
Constant (1987$)	170.0	172.0	175.0	180.0	-1.2	-1.7	-2.8
Luggage							
Current dollars	na	1,061.0	1,026.0	957.0	--	3.4	7.2
Constant (1987$)	902.0	911.0	929.0	907.0	-1.0	-1.9	2.4
Women's handbags/purses							
Current dollars	na	504.0	537.0	563.0	--	-6.1	-4.6
Constant (1987$)	440.0	453.0	502.0	533.0	-2.9	-9.8	-5.8
Personal goods nec							
Current dollars	na	458.0	436.0	415.0	--	5.0	5.1
Constant (1987$)	403.0	401.0	398.0	393.0	0.5	0.8	1.3

(continued)

GENERAL INDUSTRY STATISTICS

Value of Industry Shipments: 1988-1991
(Dollar figures in millions)
(continued)

					% Change		
	1991(f)	1990(e)	1989(e)	1988	90/91	89/90	88/89
Jewelry:							
Precious metal jewelry							
Current dollars	na	4,592.0	4,537.0	4,339.0	--	1.2	4.6
Constant (1987$)	4,113.0	4,240.0	4,350.0	4,206.0	-3.0	-2.5	3.4
Costume jewelry							
Current dollars	na	1,612.0	1,513.0	1,333.0	--	6.5	13.5
Constant (1987$)	1,460.0	1,475.0	1,425.0	1,303.0	-1.0	3.5	9.4

na not available (e) estimate (f) forecast

Source: U.S. Department of Commerce
International Trade Administration, 1991 U.S. Industrial Outlook

A complete census of all manufacturing plants is compiled every five years by the U.S. Bureau of the Census. Preliminary results from the latest census, covering 1987 operations in the accessories industry, are detailed below, compared with 1982 census data. Comparable data has been reported by the Census Bureau for 1988 in the Annual Survey of Manufactures. The annual surveys are based on a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity during intercensal periods.

Industry Trends in Accessories Classifications: 1982, 1987, 1988

Fabric Dress & Work Gloves
(SIC 2381)*

				% Change	
	1988	1987	1982	88/87	87/82
Number of Companies	na	63	78	--	-19.2%
Number of establishments, total**	75	82	102	-8.5%	-19.6
Number with 20 or more employees	53	58	64	-8.6	-9.4
Employees, total (thous.)	4.8	4.8	6.8	0.0	-29.4
Production workers (thous.)	4.2	4.3	6.1	-2.3	-29.5
Payroll (mil. $)	$46.6	$47.9	$51.2	-2.7	-6.4
Value added by manufacture (mil. $)#	$99.7	$98.2	$104.7	1.5	-6.2
Value of industry shipments (mil. $)##	$185.2	$180.8	$208.4	2.4	-13.2
Capital expenditures, new (mil. $)	$1.1	$1.5	$3.4	-26.7	-55.9

Leather Gloves
(SIC 3151)*

				% Change	
	1988	1987	1982	88/87	87/82
Number of Companies	na	67	80	--	-16.3%
Number of establishments, total**	74	77	96	-3.9%	-19.8
Number with 20 or more employees	44	45	54	-2.2	-16.7
Employees, total (thous.)	3	3.1	3.9	-3.2	-20.5
Production workers (thous.)	2.7	2.7	3.3	0.0	-18.2
Payroll (mil. $)	$32.4	$33.6	$36.6	-3.6	-8.2
Value added by manufacture (mil. $)#	$73.3	$74.6	$72.5	-1.7	2.9
Value of industry shipments (mil. $)##	$191.5	$184.8	$177.6	3.6	4.1
Capital expenditures, new (mil. $)	$0.6	$0.7	$0.7	-14.3	0.0

(continued)

Industry Trends in Accessories Classifications; 1982, 1987, 1988
(continued)

Women's Handbags
(SIC 3171)*

	1988	1987	1982	% Change 88/87	% Change 87/82
Number of Companies	na	316	383	--	-17.5%
Number of establishments, total**	284	321	393	-11.5%	-18.3
Number with 20 or more employees	92	88	148	4.5	-40.5
Employees, total (thous.)	9.2	9.5	15.4	-3.2	-38.3
Production workers (thous.)	7.6	7.9	13.2	-3.8	-40.2
Payroll (mil. $)	$139.8	$130.7	$158.5	7.0	-17.5
Value added by manufacture (mil. $)#	$326.3	$317.6	$320.4	2.7	-0.9
Value of industry shipments (mil. $)##	$563.3	$548.8	$623.7	2.6	-12.0
Capital expenditures, new (mil. $)	$8.1	$10.2	$5.6	-20.6	82.1

Personal Leather Goods
(SIC 3172)*

	1988	1987	1982	% Change 88/87	% Change 87/82
Number of Companies	na	205	239	--	-14.2%
Number of establishments, total**	193	209	243	-7.7%	-14.0
Number with 20 or more employees	67	62	87	8.1	-28.7
Employees, total (thous.)	7.6	7.2	9.9	5.6	-27.3
Production workers (thous.)	5.9	5.7	7.3	3.5	-21.9
Payroll (mil. $)	$108.1	$101.3	$112.6	6.7	-10.0
Value added by manufacture (mil. $)#	$224.5	$212.6	$243.6	5.6	-12.7
Value of industry shipments (mil. $)##	$415.5	$393.3	$411.4	5.6	-4.4
Capital expenditures, new (mil. $)	$2.9	$3.5	$3.2	-17.1	9.4

Luggage
(SIC 3161)*

	1988	1987	1982	% Change 88/87	% Change 87/82
Number of Companies	na	234	286	--	-18.2%
Number of establishments, total**	226	241	292	-6.2	-17.5
Number with 20 or more employees	110	109	131	0.9	-16.8
Employees, total (thous.)	11.1	11.4	16	-2.6	-28.8
Production workers (thous.)	8.4	8.3	12.5	1.2	-33.6
Payroll (mil. $)	$192.1	$195.7	$193.8	-1.8	1.0
Value added by manufacture (mil. $)#	$504.5	$505.9	$432.8	-0.3	16.9
Value of industry shipments (mil. $)##	$956.7	$928.9	$789.0	3.0	17.7
Capital expenditures, new (mil. $)	$9.2	$11.8	$12.0	-22.0	-1.7

(continued)

Industry Trends in Accessories Classifications: 1982, 1987, 1988
(continued)

Millinery, Hats & Caps
(SIC 2353)*

				% Change	
	1988	1987	1982	88/87	87/82
Number of Companies	na	441	na	--	--
Number of establishments, total**	509	462	419	10.2	10.3
Number with 20 or more employees	181	170	172	6.5	-1.2
Employees, total (thous.)	16.4	17.2	15.7	-4.7	9.6
Production workers (thous.)	14.0	14.6	13.9	-4.1	5.0
Payroll (mil. $)	$208.8	$204.4	$156.7	2.2	30.4
Value added by manufacture (mil. $)#	$377.5	$368.0	$285.3	2.6	29.0
Value of industry shipments (mil. $)##	$671.4	$662.7	$522.3	1.3	26.9
Capital expenditures, new (mil. $)	$7.2	$7.2	$8.1	0.0	-11.1

Costume Jewelry
(SIC 3961)*

				% Change	
	1988	1987	1982	88/87	87/82
Number of Companies	na	753	780	--	-3.5%
Number of establishments, total	722	760	785	-5.0%	-3.2
Number with 20 or more employees	197	198	186	-0.5	6.5
Employees, total (thous.)	23.7	22.2	21.1	6.8	5.2
Production workers (thous.)	16.0	14.9	15.7	7.4	-5.1
Payroll (mil. $)	$343.2	$328.9	$263.3	4.3	24.9
Value added by manufacture (mil. $)#	$822.5	$852.0	$588.9	-3.5	44.7
Value of industry shipments (mil. $)##	$1,388.5	$1,391.9	$1,027.1	-0.2	35.5
Capital expenditures, new (mil. $)	$14.7	$11.2	$16.6	31.3	-32.5

Precious Metal Jewelry
(SIC 3911)*

				% Change	
	1988	1987	1982	88/87	87/82
Number of Companies	na	2294	2159	--	6.3%
Number of establishments, total	2238	2324	2193	-3.7%	6.0
Number with 20 or more employees	364	369	367	-1.4	0.5
Employees, total (thous.)	37.1	35.5	35.3	4.5	0.6
Production workers (thous.)	25.6	24.8	23.7	3.2	4.6
Payroll (mil. $)	$ 727.7	$ 682.0	$ 535.8	6.7	27.3
Value added by manufacture (mil. $)#	$1,870.4	$1,792.3	$1,278.8	4.4	40.2
Value of industry shipments (mil. $)##	$4,273.3	$4,078.1	$3,039.1	4.8	34.2
Capital expenditures, new (mil. $)	$26.4	$40.3	$33.4	-34.5	20.7

(continued)

GENERAL INDUSTRY STATISTICS

Industry Trends in Accessories Classifications: 1982, 1987, 1988
(continued)

Watches, Clocks
(SIC 3873)*

	1988	1987	1982	% Change	
				88/87	87/82
Number of Companies	na	213	227	--	-6.2
Number of establishments, total**	199	218	237	-8.7	-8.0
Number with 20 or more employees	72	74	87	-2.7	-14.9
Employees, total (thous.)	12.1	11.8	16.8	2.5	-29.8
Production workers (thous.)	9.0	9.0	12.3	0.0	-26.8
Payroll (mil. $)	$230.9	$222.9	$248.1	3.6	-10.2
Value added by manufacture (mil. $)#	$644.7	$584.6	$483.5	10.3	20.9
Value of industry shipments (mil. $)##	$1,295.1	$1,220.9	$1,187.6	6.1	2.8
Capital expenditures, new (mil. $)	$16.6	$24.3	$14.6	-31.7	66.4

Apparel Belts
(SIC 2387)*

	1988	1987	1982	% Change	
				88/87	87/82
Number of Companies	na	263	317	--	-17.0
Number of establishments, total	255	265	319	-3.8	-16.9
Number with 20 or more employees	121	126	143	-4.0	-11.9
Employees, total (thous.)	10.1	10.5	11.7	-3.8	-10.3
Production workers (thous.)	7.7	7.8	9.2	-1.3	-15.2
Payroll (mil. $)	$153.6	$151.0	$137.1	1.7	10.1
Value added by manufacture (mil. $)#	$337.3	$339.5	$305.4	-0.6	11.2
Value of industry shipments (mil. $)##	$618.6	$627.8	$556.5	-1.5	12.8
Capital expenditures, new (mil. $)	$2.8	$3.1	$8.3	-9.7	-62.7

na not available

* Manufacturing plants are classified by industry under the Standard Industrial Classification System (SIC), determined by the principal product made as shown below. In some cases (i.e. Watches, Clocks), non-accessory products are included in the classification.

SIC 3961 covers manufacturers specializing in the production of costume jewelry, costume novelties and ornaments made of all materials except precious metal, etc.

SIC 3911 covers manufacturers specializing in the production of jewelry and other articles worn on or carried about the person, made of precious metals with or without stones, including cigarette cases and lighters, vanity cases and compacts; trimmings for umbrellas and canes; and jewel settings and mountings.

SIC 3873 covers manufacturers specializing in the production of clocks, watches, watchcases, mechanisms for clockwork-operated devices and clock and watch parts, as well as establishments primarily engaged in assembling clocks and watches from purchased movements and cases.

SIC 2387 covers manufacturers specializing in the production of men's and women's apparel belts, regardless of material.

(continued)

(footnotes continued)

SIC 2381 covers manufacturers specializing in the production of dress, semi-dress and work gloves and mittens, cut and sewn from purchased woven or knit fabric, or these fabrics combined with leather or plastic.

SIC 3151 covers manufacturers specializing in the production of dress, semi-dress and work gloves exclusively of leather or leather with lining of other material.

SIC 3171 covers manufacturers specializing in the production of women's handbags and purses of leather or other materials, except precious metals.

SIC 3172 covers manufacturers specializing in the production of small articles, such as billfolds, key cases, and coin purses of leather or other materials, except precious metals.

SIC 3161 covers manufacturers specializing in the production of luggage made of leather or other material.

SIC 2353 covers manufacturers specializing in the production of women's, misses', children's and infants' millinery.

** Covers manufacturing establishments only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices, purchasing offices, sales promotion offices, etc.) 1988 figures are from County Business Patterns issued by the Census Bureau.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. This value includes both products described as primary to the industry and secondary products and miscellaneous receipts (including receipts for contract work and resales). Available data on the total value of specific products shipped by both those classified in the industry (primary producers) and by secondary producers (who are classified in other industries) are covered in the value of shipments reported on pages 23-26.

Note: Dollar values are in terms of current dollars--not adjusted for inflation. This should be taken into account when comparing results for 1988, 1987 and 1982.

Source: U.S. Bureau of the Census:
1987 Census of Manufactures,
1988 Annual Survey of Manufactures,
1988 County Business Patterns

GENERAL INDUSTRY STATISTICS

Employment & Earnings

The Bureau of Labor Statistics reports on employment and earnings in specified accessory categories. In 1990 vs. 1989 total employment and production worker employment fell for all categories noted below, with the largest declines occurring in the handbags and personal leather goods industries.

Employment declines are most likely attributable to the weak economy, the drop-off in consumer demand, and increasing import penetration of these products.

It should be noted that employment and earnings data issued by the Bureau of Labor Statistics and by the Census Bureau differ somewhat due to differences in methodology used by each agency in compiling data.

Employment and Earnings in Specified Accessories Industries: 1989, 1990

	Annual Averages		% Change
	1990	1989	1990/89
Handbags & personal leather goods (SIC 317)			
All employees (thous.)	14.7	16.3	-9.8
Production workers (thous.)	11.6	12.8	-9.4
Average weekly earnings	$224.35	$217.31	3.2
Average hourly earnings	$5.97	$6.08	-1.8
Average weekly hours	36.9	36.4	1.4
Luggage (SIC 316)			
All employees (thous.)	10.6	11.1	-4.5
Production workers (thous.)	7.5	8.1	-7.4
Average weekly earnings	$274.33	$262.28	4.6
Average hourly earnings	$6.91	$6.59	4.9
Average weekly hours	39.7	39.8	-0.3
Costume jewelry (SIC 3961)			
All employees (thous.)	21.1	22.1	-4.5
Production workers (thous.)	15.9	17.2	-7.6
Average weekly earnings	$265.43	$247.92	7.1
Average hourly earnings	$6.57	$6.49	1.2
Average weekly hours	40.4	38.2	5.8
Precious metal jewelry (SIC 3911)			
All employees (thous.)	38.7	39.1	-1.0
Production workers (thous.)	27.1	27.6	-1.8
Average weekly earnings	$350.52	$340.86	2.8
Average hourly earnings	$9.2	$8.97	2.6
Average weekly hours	2.2	2.1	4.8
Watches, clocks, watchcases and parts (SIC 387)			
All employees (thous.)	10.8	11.4	-5.3
Production workers (thous.)	8.2	8.5	-3.5
Average weekly earnings	$301.84	$292.08	3.3
Average hourly earnings	$7.7	$7.47	3.1
Average weekly hours	39.2	39.1	0.3

Source: U.S. Department of Labor: Bureau of Labor Statistics
Supplement to Employment and Earnings

Employment & Earnings (continued)

The Bureau of Labor Statistics has issued employment benchmarks for industry segments not covered in monthly reports, including specified accessories categories. The figures are as of March, and cover the years 1983-1990.

Employment Benchmarks for Specified Accessories Industry Segments: March 1983-1990
(In thousands)

	1990	1989	1988	1987	1986	1985	1984
Apparel belts (SIC 2387)	10.0	10.7	10.4	10.6	8.8	9.5	10.7
Fabric dress & work gloves (SIC 2381)	6.9	6.7	7.3	7.2	8.6	9.4	8.7
Apparel & accessories, n.e.c. (SIC 2389)	12.4	9.6	7.7	7.4	6.7	6.7	6.3
Leather gloves & mittens (SIC 315)	2.5	2.7	2.9	3.1	3.2	3.3	3.4
Women's handbags & purses (SIC 3171)	6.0	6.9	8.4	8.5	10.4	11.7	14.2
Personal leather goods, n.e.c. (SIC 3172)	9.1	8.8	9.0	8.3	9.2	9.6	11.0

n.e.c. not elsewhere classified

Source: U.S. Bureau of Labor Statistics
Employment & Earnings (June 1991)

Industry Concentration

In almost every specified accessory category, the majority of plants employed less than 20 individuals, according to the 1987 Census of Manufactures. The precious metal jewelry industry had the highest concentration of small plants, with 84.1% of plants employing less than 20 people.

Generally, the larger plants, with 100 or more employees, accounted for the bulk of value-added by manufacture and industry shipments.

GENERAL INDUSTRY STATISTICS

Industry Concentration

Industry Concentration by Employment Size, 1987

	Establishments		Value Added By Manufacture		Industry Shipments	
	Number	%	Mil. $	%	Mil. $	%
Costume jewelry industry, U.S. total	760	100.0%	$852.0	100.0%	$1,391.9	100.0%
By establishment (plant) size:						
Under 20 employees	562	73.9	109.1	12.8	191.1	13.7
20-49 employees	107	14.1	102.1	12.0	180.2	12.9
50-99 employees	50	6.6	91.3	10.7	151.9	10.9
100 or more employees	41	5.4	549.6	64.5	868.7	62.4
Precious metal jewelry industry U.S. total	2,324	100.0	1,792.3	100.0	4,078.1	100.0
By establishment (plant) size:						
Under 20 employees	1,955	84.1	382.2	21.3	892.9	21.9
20-49 employees	229	9.9	304.3	17.0	775.1	19.0
50-99 employees	82	3.5	281.5	15.7	753.7	18.5
100 or more employees	58	2.5	824.1	46.0	1,656.3	40.6
Watches and clock industry, U.S. total	218	100.0	584.6	100.0	1,220.9	100.0
By establishment (plant) size:						
Under 20 employees	144	66.1	23.1	4.0	50.1	4.1
20-49 employees	30	13.8	32.5	5.6	61.4	5.0
50-99 employees	13	6.0	57.9	9.9	109.2	8.9
100 or more employees	31	14.2	471.2	80.6	1,000.3	81.9
Apparel belt industry, U.S. total	265	100.0	339.5	100.0	627.8	100.0
By establishment (plant) size:						
Under 20 employees	139	52.5	29.9	8.8	55.5	8.8
20-49 employees	62	23.4	57.3	16.9	92.1	14.7
50-99 employees	37	14.0	78.8	23.2	141.9	22.6
100 or more employees	27	10.2	173.6	51.1	338.3	53.9
Fabric dress & work glove industry, U.S. total	82	100.0	98.2	100.0	180.8	100.0
By establishment (plant) size:						
Under 20 employees	24	29.3	6.3	6.4	11.0	6.1
20-49 employees	23	28.0	13.5	13.7	29.0	16.0
50-99 employees	22	26.8	30.5	31.1	52.8	29.2
100 or more employees	13	15.9	47.9	48.8	87.9	48.6

(continued)

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

Industry Concentration by Employment Size, 1987
(continued)

	Establishments		Value Added By Manufacture		Industry Shipments	
	Number	%	Mil. $	%	Mil. $	%
Leather glove industry, U.S. total	77	100.0%	$ 74.6	100.0%	$184.8	100.0%
By establishment (plant) size:						
Under 20 employees	32	41.6	6.9	9.2	18.0	9.7
20-49 employees	26	33.8	28.1	37.7	70.6	38.2
50-99 employees	9	11.7	12.3	16.5	27.3	14.8
100 or more employees	10	13.0	27.4	36.7	69.0	37.3
Women's handbag industry, U.S. total	321	100.0%	317.6	100.0%	548.8	100.0%
By establishment (plant) size:						
Under 20 employees	233	72.6	37.5	11.8	73.1	13.3
20-49 employees	43	13.4	36.1	11.4	62.4	11.4
50-99 employees	21	6.5	42.2	13.3	78.4	14.3
100 or more employees	24	7.5	201.9	63.6	334.9	61.0
Personal leather goods industry, U.S. total	209	100.0%	212.6	100.0%	393.3	100.0%
By establishment (plant) size:						
Under 20 employees	147	70.3	18.1	8.5	35.4	9.0
20-49 employees	24	11.5	25.3	11.9	47.8	12.2
50-99 employees	14	6.7	29.9	14.1	53.3	13.6
100 or more employees	24	11.5	139.3	65.5	256.7	65.3
Luggage industry, U.S. total	241	100.0%	505.9	100.0%	928.9	100.0%
By establishment (plant) size:						
Under 20 employees	132	54.8	28.1	5.6	54.2	5.8
20-49 employees	57	23.7	46.5	9.2	82.5	8.9
50-99 employees	30	12.4	108.7	21.5	213.0	22.9
100 or more employees	22	9.1	322.6	63.8	579.2	62.4
Millinery industry, U.S. total	462	100.0%	368.0	100.0%	662.7	100.0%
By establishment (plant) size:						
Under 20 employees	292	63.2	42.4	11.5	79.0	11.9
20-49 employees	77	16.7	47.9	13.0	84.5	12.8
50-99 employees	51	11.0	71.6	19.5	128.5	19.4
100 or more employees	42	9.1	206.2	56.0	370.7	55.9

Source: U.S. Department of Commerce,
Bureau of the Census:
1987 Census of Manufactures

GENERAL INDUSTRY STATISTICS

Industry Location

The following table is based on the 1987 Census of Manufactures and covers leading states for specified accessory categories, ranked by value-added by manufacture. In some cases, value-added by manufacture was not reported for specific states to avoid disclosing data for individual companies. In those instances, states were ranked by highest number of establishments.

New York was the leading state for six out of ten accessory categories, including the leather goods categories--gloves, personal leather goods, luggage and women's handbags, as well as apparel belts and precious metal jewelry. Rhode Island led in value-added by manufacture for costume jewelry, with New York ranking second.

Industry Statistics for Leading States, 1987

	All Plants		Employees		Value Added By Manufacture	
	Total	Plants with 20+ Employees	No. (thous.)	% of total	Mil. $	% of total
Precious metal jewelry, U.S. total	2324	369	35.5	100.0%	$1,792.3	100.0%
Leading states:						
New York	698	142	11.5	32.4	682.5	38.1
Rhode Island	247	46	4.0	11.3	142.1	7.9
Massachusetts	69	17	2.2	6.2	140.7	7.9
New Jersey	77	26	2.5	7.0	101.7	5.7
Costume jewelry, U.S. total	760	198	22.2	100.0%	852.0	100.0%
Leading states:						
Rhode Island	298	105	12.0	54.1	461.3	54.1
New York	154	39	2.7	12.2	85.4	9.7
Illinois	16	2	0.2	0.9	8.2	1.0
Florida	22	3	0.2	0.9	5.8	0.7
Fabric dress & work gloves, U.S. total	82	58	4.8	100.0%	98.2	100.0%
Leading states:						
North Carolina	8	7	0.8	16.7	15.9	16.2
Georgia	5	4	0.2	4.2	3.2	3.3
Leather gloves, U.S. total	77	45	3.1	100.0%	74.6	100.0%
Leading states:						
New York	17	7	*	--	nr	--
Wisconsin	11	6	*	--	nr	--
Illinois	4	4	*	--	nr	--
Personal leather goods, U.S. total	209	62	7.2	100.0%	212.6	100.0%
Leading states:						
New York	50	18	1.7	23.6	42.3	19.9
California	37	5	*	--	nr	--
Massachusetts	17	10	#	--	nr	--
New Jersey	11	6	*	--	nr	--

(continued)

Industry Location (continued)

Industry Statistics for Leading States, 1987
(continued)

	All Plants		Employees		Value Added By Manufacture	
	Total	Plants with 20+ Employees	No. (thous.)	% of total	Mil. $	% of total
Luggage, U.S. total	241	109	11.4	100.0%	505.9	100.0%
Leading states:						
New York	48	30	2.3	20.2	95.9	19.0
California	35	16	1.2	10.5	46.5	9.2
Texas	9	3	0.2	1.8	3.1	0.6
Hats, caps & millinery, U.S. total	462	170	17.2	100.0%	368.0	100.0%
Leading states:						
Missouri	39	25	2.5	14.5	72.7	19.8
Texas	30	9	1.9	11.0	34.7	9.4
Pennsylvania	16	7	1.2	7.0	30.7	8.3
Women's handbags & purses, U.S. total	321	88	9.5	100.0%	317.6	100.0%
Leading States:						
New York	150	36	4	42.1	150.8	47.5
Florida	25	8	**	--	nr	--
California	24	4	**	--	nr	--
Watches, clocks, watchcases, parts, U.S. total	218	74	11.8	100.0%	584.6	100.0%
Leading States:						
Michigan	12	5	1.4	11.9	70.5	12.1
Pennsylvania	7	5	0.7	5.9	21.3	3.6
Massachusetts	11	4	0.4	3.4	14.9	2.5
Apparel belts, U.S. total	265	126	10.5	100.0%	339.5	100.0%
Leading States:						
New York	132	65	4.8	45.7	124.3	36.6
California	32	17	1.2	11.4	37.6	11.1
Pennsylvania	13	6	0.6	5.7	17.3	5.1
New Jersey	11	5	0.4	3.8	14.9	4.4

nr not reported
* 250 to 499 employees
** 500 to 999 employees
# 1,000 to 2,499 employees

Source: U.S. Department of Commerce, Bureau of the Census:
1987 Census of Manufactures

GENERAL INDUSTRY STATISTICS

Materials Consumed

Figures on the value of materials consumed by plants classified in specified accessories industries based on the 1987 census are noted below compared with 1982 reports. Figures are in current dollars, with no adjustment for inflation.

Delivered Costs of Materials Consumed in Accessories Plants: 1982, 1987
(Millions of current dollars)

Fabric Dress & Work Gloves
(SIC 2381)

	1987	1982	% Change 1987/82
Materials, parts, containers, & supplies	72.9	89.9	-18.9
Broadwoven fabrics (mil lin yds.)	29.9	38.3	-21.9
Knit fabrics (mil lbs.)	19.2	17.6	9.1
Yarns, all fibers	1.7	*	--
Finished leather	9.3	12.8	-27.3
All other materials, containers & supplies	8.5	12.9	-34.1
Materials, parts, containers, & supplies, n.s.k.	4.4	8.3	-47.0

*1982 figure for yarns was included in the all other materials category

Apparel Belts
(SIC 2387)

	1987	1982	% Change 1987/82
Materials, parts, containers, & supplies	225.7	212.7	6.1
Broadwoven fabrics	19.7	10.9	80.7
Knit fabrics	13.6	16.8	-19.0
Finished leather	90.5	83.4	8.5
All other materials, containers, & supplies	79.3	66.8	18.7
Materials, containers, & supplies n.s.k.	22.5	34.8	-35.3

Precious Metal Jewelry
(SIC 3911)

	1987	1982	% Change 1987/82
Materials, parts, containers, & supplies	2123.3	1683.8	26.1
Precious metals, all forms, including ingot, sheet, strip, solder, plating, electrodes, etc.	820.7	787.7	4.2
Precious, semiprecious, and synthetic stones and pearls; cut, polished or drilled	328.1	280.3	17.1
Jewelers' findings, including joints, pins, clasps, chains, flat stock, etc.	74.4	98.0	-24.1
Paper and paperboard products, including shipping containers, set up and folding cartons, etc.	12.7	27.3	-53.5
All other materials and components, parts, containers, and supplies	105.0	110.6	-5.1
Materials, parts, containers, & supplies, n.s.k.	782.3	379.9	105.9

(continued)

GENERAL INDUSTRY STATISTICS

Materials Consumed (continued)

Delivered Costs of Materials Consumed in Accessories Plants: 1982,1987
(Millions of current dollars)
(continued)

Watches, Clocks, Watchcases & Parts
(SIC 3873)

	1987	1982	% Change 1987/82
Materials, parts, containers, & supplies	549.2	632.5	-13.2
Precious metals, all forms	*	9.0	--
Watchcases	43.0	66.9	-35.7
Watch movements or modules	165.3	223.1	-25.9
Watch parts	33.5	51.8	-35.3
All other materials	307.4	281.7	9.1

n.s.k. not specified by kind
* Included with all other materials in 1987.
**Imported only--domestic parts were included with all other materials in 1982.

Source: U.S. Bureau of the Census:
1987 Census of Manufactures

LEADING MANUFACTURERS

Liz Claiborne, one of the major players in the accessories business, reported accessory sales of $155 million in 1990, down 5% from the $163 million reported in 1989. Growth in the two previous years had been exceptional, *Women's Wear Daily* reports, with sales jumping to $165.4 million in 1988 from $82.4 million in 1986. The fashion jewelry division, introduced in fall 1990 at retail, generated $8.6 million in sales in 1990.

Reasons given for the drop in business in 1990 include a decline in the scarf business and the shrinking logo business in bags in man-made materials.

Bags and small leather goods account for 70% of their accessories volume, at about $109 million, while fashion accessories account for 30%, at about $46 million, *Women's Wear Daily* reports.

The following is a ranking of the top fifteen manufacturers in the Costume jewelry, and Hat/Cap/Millinery industries, based on gross profits for 1990.

LEADING MANUFACTURES

Costume Jewelry

		1990 Sales (Mil. $)
1.	Artra Group Inc.	$210.1
2.	Lori Corp	105.4
3.	1928 Jewelry Co.	100.0
4.	Kerr Manufacturing Co.	85.0
5.	Napier Co.	70.0
6.	Trifari, Krussman and Fishel Inc.	63.0
7.	R.N. Koch Inc.	61.0
8.	Ace Novelty Co.	58.0
9.	Victoria Creations Inc.	56.9
10.	Textron Inc. Speidel	42.0
11.	Swarovski Jewelry U.S. Ltd.	40.0
12.	Weingeroff Enterprises Co.	35.0
13.	K and M Associates	30.0
14.	Monet	30.0
15.	Accessories Associates Inc.	25.0

Source: See below

Hats, Caps, and Millinery

		1990 Sales (Mil. $)
1.	Vatex Headwear Inc.	$130.0
2.	K-Products Inc.	80.0
3.	Resistol Hats	50.0
4.	Bollman Hat Co.	35.0
5.	Paramount Cap Manufacturing Co.	35.0
6.	George W. Bollman Company Inc.	32.4
7.	Universal Industries Inc.	30.0
8.	Interco Inc. International Hat Co.	25.0
9.	New Era Cap Company, Inc.	25.0
10.	Louisville Manufacturing Co.	19.0
11.	Davis Clothing Co.	16.0
12.	Four Seasons Garment Co.	16.0
13.	M. Grossman and Sons Inc.	15.0
14.	Twin City Knitting Co.	15.0
15.	AJD Cap Corp.	13.3

Source: Infotrak
Ziff-Davis Company

Watches

Fossil, Guess, Swatch and Anne Klein dominate the fashion watch business, according to Accessories magazine, due to their ability to introduce unique and distinctive lines which catch consumer attention and generate sales. Swatch Watch U.S.A., for example, recently introduced a sporty chronograph style which sold out in most stores across the country. Major watch manufacturers, are following suit and are introducing their own chronograph styles. The Swatch chronograph is described as a watch featuring three function dials which measure different intervals of time on the inner face surrounded by an outer dial.

LEADING MANUFACTURERS

Watches (continued)

The Callanen Group, which holds the license for Guess and Monet watches, indicated that their Chronosport group is the "biggest, hottest look" right now for the firm. The Guess division will have a volume of about $54 million in 1991, with the Chronosport line representing about 35% of overall volume, according to Women's Wear Daily.

Callanen's Monet division, offering day and evening looks, will have a volume of about $5 million in 1991, which is about 25% ahead of 1990. The same rate of increase is projected for 1992. Their best sellers include a group of watches with pearl and scarab stone bands.

Despite the success of the chronograph, Swatch only expects slight increases for the Spring of 1992 compared to Spring of last year. Chronograph and sport watches are their hottest item right now, but these styles will continue to grow at the expense of more fashion-oriented styles, Swatch indicated.

Button Covers

Button covers are hot right now, Women's Wear Daily reports, with both major button cover vendors, Nony in New York and Clickets in Los Angeles, expecting double digit increases in sales in 1991.

Nony expects 1991 volume to be in excess of $5 million, which is 50% ahead of last year. Clickets expects its volume to hit $1.5 million in 1991, a 31% improvement from last year.

One retailer explained that the success of the business is partly due to the fact that button covers are congruent with ready-to-wear trends, as many designers are showing jewelry buttons on suits.

PRODUCTION

The National Cotton Council of America, Memphis, Tennessee, compiles information on production gloves, handkerchiefs, luggage, handbags and purses on an annual basis.

Production of Gloves & Handkerchiefs, 1988-1990
(Thousands of dozens)

				% Change	
	1990(p)	1989(r)	1988(r)	1990/89	1989/88
Gloves & mittens, work type (men's & women's)	30,697	29,520	28,727	4.0	2.8
Principally knit	23,715	22,590	20,371	5.0	10.9
Principally woven	6,466	6,392	7,771	1.2	-17.7
Leather/Fabric combination excl. all-leather	516	538	585	-4.1	-8.0

(continued)

Production of Luggage, Handbags, & Purses, 1988-1990
(Thousands of Dozens)
(continued)

	1990(p)	1989(r)	1988(r)	% Change 1990/89	% Change 1989/88
Handkerchiefs					
Men's & boys'	6,694	7,046	6,098	-5.0	15.5
Women's, misses, juniors'	4,304	4,392	4,482	-2.0	-2.0
Luggage, handbags, & purses	128,194	133,275	139,151	-3.8	-4.2
Luggage, hand & other	90,675	94,597	99,576	-4.1	-5.0
Handbags & purses	37,519	38,678	39,575	-3.0	-2.3

Source for production tables:
National Cotton Council of America
Cotton Counts Its Customers (1991 edition)

PRODUCT SHIPMENTS

In contrast with "Industry Shipments" previously covered and defined on page 11, the value of product shipments covers the total value of shipments of specified items by all U.S. manufacturers, regardless of industry classification based on primary products.

The International Trade Commission, Department of Commerce, compiles annual estimates on the value of shipments of U.S. manufactures, and the growth rates both in current and constant (1987) dollars (eliminating the effects of inflation), for some accessories classifications.

Product shipments of precious metal and costume jewelry (in constant $) are expected to decline in 1991, with the largest drop occurring in the precious metal jewelry category. Declines are also anticipated for women's handbags and leather gloves/mittens in 1991. Shipments of luggage and personal leather goods are forecasted to improve slightly in 1991.

Percent Change in Estimated Value of Product Shipments By All Producers

(in millions of dollars)

	1990/91(f)	1989/90(e)
Leather Accessories		
Leather gloves/mittens		
Current dollars	na	3.7
Constant (1987) dollars	-0.8	-2.2
Luggage		
Current dollars	na	3.5
Constant (1987) dollars	2.3	-1.9
Women's handbags/purses		
Current dollars	na	-6.3
Constant (1987) dollars	-3.0	-9.5
Personal goods nec		
Current dollars	na	4.9
Constant (1987) dollars	0.5	0.7
Jewelry		
Precious metal		
Current dollars	na	1.3
Constant (1987) dollars	-3.0	-2.8
Costume Jewelry		
Current dollars	na	6.0
Constant (1987) dollars	-1.0	3.5

na not available
n.e.c not elsewhere classified

Source: International Trade Commission:
1991 U.S. Industrial Outlook

The 1988 Annual Survey of Manufactures and the 1987 Census of Manufactures provide detailed product shipment information for various accessories categories.

PRODUCT SHIPMENTS

Summary of Value of Shipments By All U.S. Producers of Specified Accessories, 1982, 1987, 1988

	Value of Shipments (Mil. $)			% Change	
	1988	1987	1982	88/87	87/82
Jewelry, precious metal	$4,000.7	$3,858.3	$2,823.2	3.7	36.7%
Jewelry, made of platinum metals and karat gold	2,625.6	2,527.1	2,076.5	3.9	21.7
Jewelry, made of silver	197.3	199.9	na	-1.3	--
Other jewelry except costume	244.5	269.8	na	-9.4	--
Jewelry, precious metal, n.s.k.	933.3	861.5	335.7	8.3	156.6
Costume jewelry	1291.6	1265.0	948.6	2.1	33.4
Watches, clocks, watchcases & clocks	1,227.6	1,151.9	1,121.8	6.6	2.7
Watches, watchcases, movements or modules, and watch parts	492.3	429.1	586.8	14.7	-26.9
Clocks, timing mechanisms, time switches, clock movements, clock cases, and parts	617.3	597.9	475.1	3.2	25.8
Watches, clocks, and watchcases, n.s.k.	118.0	124.9	60.0	-5.5	108.2
Apparel belts	558.3	546.8	474.2	2.1	15.3
Belts, leather	325.8	329.4	261.5	-1.1	26.0
Belts, other than leather	182.6	177.7	164.7	2.8	7.9
Apparel belts, n.s.k.	49.9	39.7	48.0	25.7	-17.3
Dress and work gloves and mittens	180.3	192.4	206.6	-6.3	-6.9
Gloves and mittens made from purchased fabrics	122.1	139.6	195.0*	-12.5	-28.4
Gloves and mittens made from leather-and-fabrics combinations	44.9	43.0	*	4.4	--
Dress and work gloves and mittens, n.s.k.	13.3	9.7	11.6	37.1	-16.4
Leather gloves and mittens	151.7	147.3	138.7	3.0	6.2
Women's and children's handbags and purses	536.7	469.3	524.9	14.4	-10.6
Personal leather goods, n.e.c.	424.4	411.6	393.1	3.1	4.7
Luggage	871.4	816.8	647.3	6.7	26.2
Hats, caps and millinery	623.0	604.1	504.5	3.1	19.7
Hats and hat bodies, except cloth and millinery	94.3	78.7	83.2	19.8	-5.4
Cloth hats and caps, except millinery	308.6	307.9	272.0	0.2	13.2
Millinery	113.8	105.5	87.7	7.9	20.3
Hats, caps & millinery, n.s.k.	106.2	112.0	61.6	-5.2	81.8

* Gloves and mittens "made from leather and fabrics combinations" was included in the "made from purchased fabrics" category in 1982.

Source: U.S. Bureau of the Census
1988 Annual Survey of Manufactures
1987 Census of Manufactures

PRODUCT SHIPMENTS

Jewelry & Watches

Value of Shipments of Jewelry & Watches By All U.S. Producers: 1982, 1987
(Millions of dollars)

	1987	1982	% Change 1987/82
Precious metal jewelry, total	$3,858.3	$2,823.2	36.7%
Jewelry, made of platinum metals & karat gold, total	2,527.1	2,076.5	21.7
Fraternal, college & school rings	264.6	253.1	4.5
Wedding rings	307.7	294.2	4.6
Other rings	541.8	436.4	24.2
Ring mountings for sale separately	181.9	115.2	57.9
Women's & children's jewelry,(incl. necklaces, bracelets, broaches, etc.)	629.5	715.8	-12.1
Watch attachments	19.0	30.7	-38.1
Organizational jewelry	37.1	40.6	-8.6
Other, incl. men's jewelry, religious jewelry, cigarette cases, lighters, compacts, vanity cases, etc.	262.0	152.1	72.3
Jewelry, n.s.k.	283.6	38.4	638.5
Jewelry, made of silver	199.9	na	--
Rings & ring mountings	51.1	na	--
Men's jewelry (collar & cuff buttons, studs, watch chains, etc.)	16.3	na	--
Women's & children's jewelry (necklaces, bracelets, pins, etc.)	93.8	na	--
Watch attachments	3.2	na	--
Other, incl. men's jewelry, religious jewelry, cigarette cases, lighters, compacts, vanity cases, etc.	33.1	na	--
Jewelry, n.s.k.	2.5	na	--
Other jewelry except costume	269.8	na	--
Jewelry, precious metal, n.s.k.	861.5	335.7	156.6
Watches, clocks, watchcases, and parts	1,151.9	1,121.8	2.7
Costume jewelry, total	1,265.0	948.6	33.4
Base metal:			
Rings and ring mountings	71.0	130.3	-45.5
Men's jewelry (excluding watch attachments & rings)	56.0	30.5	83.6
Women's & children's jewelry and costume novelties	711.9	429.2	65.9
Fraternal, college, and school jewelry and emblems, including military insignia (excluding rings), watch attachments	77.2	82.8	-6.8
Other jewelry, incl. religious	49.4	34.3	44.0

na not available
n.s.k. not specified by kind

Source: U.S. Bureau of the Census:
1987 Census of Manufactures

PRODUCT SHIPMENTS

Handbags

Quantity & Value of Purse and Handbag Shipments By All U.S. Producers: 1982, 1987

(Quantity in thousands of units; Value in millions of dollars)

	Quantity		% Change	Value		%Change
	1987	1982	1987/82	1987	1982	1987/82
Women's & children's purses & handbags	na	na	--	$469.3	$524.9	-10.6%
All leather & chiefly leather	16,458.8	13,200.0	24.7	274.5	234.9	16.9
All plastic & chiefly plastic	7,321.8	12,400.0	-41.0	88.1	111.6	-21.1
Other materials excl. precious metal	3,417.3	11,000.0	-68.9	37.4	72.2	-48.2
Women's & children's handbags, n.s.k.	na	na	--	69.3	106.2	-34.7

na not available
n.s.k. not specified by kind

Source: U.S. Bureau of the Census:
1987 Census of Manufactures, MC87-1-31B

Gloves and Mittens

Later data on the value of product shipments for gloves and mittens is contained in Current Industrial Reports, developed through a mail survey of all known U.S. manufacturers and jobbers (except very small plants).

Quantity and Value of Shipments of Gloves and Mittens: 1980-1989

(Quantity in 1,000 dozen pairs; value in millions of dollars)

	Dress gloves and mittens		Work gloves and mittens excluding rubber		Rubber gloves	
	Quantity	Value	Quantity	Value	Quantity	Value
1989	6,801	na	24,757	na	146,476	$330.9
1988	5,878	na	25,060	na	167,052	362.7(r)
1987	5,164	na	24,559	na	144,776	347.1
1986	3,268	$69.3	19,264	$281.1	125,683	322.1
1985	3,129	76.4	19,742	283.0	100,684	304.4
1984	2,585	66.7	20,980	308.8	96,562	283.7
1983	2,005	59.9	18,222	263.7	81,804	233.8
1982	1,899	67.4	19,379	285.4	85,199	297.3
1981	3,128	65.5	24,896	345.5	58,543	246.6
1980	3,065	63.7	25,181	340.1	44,804	236.4

(r) revised

Source: U.S. Bureau of the Census
Current Industrial Reports,
Gloves and Mittens MA23D(89)-1

PRODUCER PRICES

Of all accessory categories noted below, producer (factory) prices rose most sharply for leather belts (10.8%), hat & hat bodies (5.4%) and luggage (other than hand luggage) (5.4%) between 1989 and 1990. All other categories showed modest price gains between these two years. A 4.2% increase in leather prices between 1989 and 1990 was a likely factor in the boost in prices of leather accessories.

When comparing July 1991 to July 1990, watch and luggage (other than hand luggage) prices rose most substantially.

Producer (Factory) Prices For Specified Accessories Categories
(Index base 1982-100, unless otherwise noted)

	July 1991	% Change From July 1991 To July 1990	Annual Average 1990	Annual Average 1989	% Change 1990/89
Leather gloves	125.0	0.6	123.8	118.3	4.6
All leather dress & semidress gloves**	124.6	1.3	122.4	117.2	4.4
All leather work gloves & mittens**	122.7	0.2	121.9	116.3	4.8
Fabric work gloves & mittens**	114.3	1.4	112.1	109.1	2.7
Luggage & small leather goods	130.0	2.8	126.7	121.8	4.0
Hand luggage*	108.1	2.4	109.1	105.5	3.4
Luggage other than hand luggage*	130.1	4.8	124.0	117.7	5.4
Other personal leather goods#	na	na	128.8	123.7	4.1
Millinery**	na	--	106.3	104.0	2.2
Hats & hat bodies, except cloth and millinery**	na	--	125.4	115.5	8.5
Cloth hats and caps**	na	--	114.6	109.9	4.3
Leather belts**	127.8	2.3	122.4	110.5	10.8
Belts, other than leather**	105.4	0.3	105.0	104.0	1.0
Jewelry & jewelry products	121.4	1.8	119.3	115.2	3.6
Jewelry, platinum, & karat gold	123.9	1.1	122.8	117.7	4.3
Other precious metal jewelry	116.1	2.0	114.6	111.9	2.4
Costume jewelry and novelties	129.2	2.5	125.3	122.2	2.5
Costume jewelry and novelties made of base metal**	115.0	2.9	111.4	108.8	2.4
Jewelers' findings and materials	120.5	3.5	115.9	111.3	4.1
Watches, clocks & timing mechanisms	117.3	3.2	113.7	111.9	1.6
Watches##	106.8	5.5	102.1	100.5	1.6
Miscellaneous apparel and accessories###	112.2	0.6	111.7	110.0	1.5
Apparel & accessories, n.e.c.***	112.7	2.1	110.2	107.1	2.9

Base periods other than 1982

# June 1982-100
## June 1983-100
### December 1983-100
* December 1984-100
** June 1985-100
*** December 1985-100

Source: U.S. Department of Labor, Bureau of Labor Statistics (Commodity Groupings & Industrial Items)

FOREIGN TRADE

Exports

A weak U.S. dollar, coupled with strong economies in developed countries, stimulated export demand for leather products, such as luggage, handbags and flatgoods, as well as personal consumer durables, such as precious metal and costume jewelry, and watches.

Export demand for luggage, handbags, and flatgoods increased 29.1% in 1990 to $133 million, according to the International Trade Commission. The largest importers of these U.S. products were Mexico, Japan and Canada.

Jewelry exports continued a strong upward trend in 1990: costume jewelry exports jumped 23.6% to $110 million; precious metal jewelry increased 0.9% to $428 million.

Developed countries are the primary importers of U.S. jewelry products, according to the ITA. Japan and Switzerland account for more than half of all U.S. precious metal jewelry exports. Japan, Canada, and the United Kingdom are the leading importers of U.S. costume jewelry.

U.S. exports of quartz watches reached $84.9 million and exports of mechanical watches reached $13.1 million in 1990, according to Jewelers' Circular-Keystone, based on Census Bureau data. Canada (accounting for 27% of U.S. exports), Switzerland (19%), Japan (17%) , and Hong Kong (15%) are the primary markets for U.S. quartz watches. Switzerland (accounting for 13% of U.S. exports), Hong Kong (12%), Canada (8%), and Mexico (8%) are the primary markets for U.S. mechanical watches.

Imports

Although market penetration of imports remained high in 1990, the flow of imports increased at a slower pace for some accessory categories, and in some cases, even registered declines, primarily because of the slowdown in the economy, and a drop in consumer confidence and spending.

Precious metal jewelry imports fell 5.5% to $2.6 billion in 1990 while costume jewelry imports increased by the same amount. This is most likely due to a shift in consumer demand from expensive precious metals to more affordable costume jewelry products.

Neckwear imports faced significant declines in 1990, as imports fell 30.7% to $282 million, down from $407 million in 1989, due to a soft domestic market.

In the luggage and leather good products industries, import growth slowed to 4.5% in 1990, down from 8.2% in 1990. These labor-intensive industries, however, will continue to face significant import competition from developing countries where wage rates are far below U.S. levels. Imports as a percent of apparent consumption increased to 54.9% in 1990, up from 53.7% in 1989.

Imports of mechanical watches to the U.S. reached $79.9 million in 1989 while imports of quartz watches reached $581.9 million, according to Jewelers' Circular-Keystone.

The International Trade Administration provides information on leading exporters to the U.S. for some accessory categories:

FOREIGN TRADE

Imports (continued)

Jewelry

Country of Origin	% of U.S. Imports
Italy	37.7%
Hong Kong	11.8
Thailand	8.6
South Korea	5.2
Isreal	4.8
Peru	4.1

Luggage

Country of Origin	% of U.S. Imports
Taiwan	37%
China	21
Korea	19
Thailand	4
Mexico	4

Handbags

Country of Origin	% of U.S. Imports
China	59%
Korea	15
Taiwan	11
India	4
Hong Kong	3

Leather Gloves & Mittens

Country of Origin	% of U.S. Imports
China	77%
Hong Kong	8
Phillipines	5

Jewelers' Circular-Keystone provides detailed information on imports of mechanical and quartz watches for 1989:

Imports of Mechanical Watches

Country of Origin	Value (000$)	% of U.S. Imports
Switzerland	$56,189	70.3%
Philippines	12,172	15.2
Hong Kong	5,040	6.3
Japan	2,606	3.3
All others	3,920	4.9
Total	79,927	100.0

Imports of Quartz Watches

Country of Origin	Value (000$)	% of U.S. Imports
Japan	$209,351	36.0%
Hong Kong	130,560	22.4
Switzerland	102,040	17.5
Philippines	49,533	8.5
Thailand	33,326	5.7
Korea	28,256	4.9
China	13,396	2.3
All others	15,463	2.7
Total	581,925	100.0

Summary of U.S. Imports & Exports of Accessory Items: 1988-1990

(Value in millions)

	1990	1989	1988	% Change 1990/89	Annual Rate of Change 1986-1990
Neckwear					
Imports*	282	407	369	-30.7	15.8
Exports**	16	14	8	14.3	43.6
Trade balance	(266)	(393)	(361)	32.3	--
Ratio of imports to apparent consumption#	33.7%	42.4%	42.9%	--	--

(continued)

Imports (continued)

Summary of U.S. Imports & Exports of Accessory Items: 1988-1990
(Value in millions)
(continued)

	1990	1989	1988	% Change 1990/89	Annual Rate of Change 1986-1990
Gloves					
Imports*	871	890	1097	-2.1	13.4
Exports**	158	182	190	-13.2	8.4
Trade balance	(713)	(708)	(907)	-0.7	--
Ratio of imports to apparent consumption#	56.6%	56.4%	59.8%	--	--
Headwear					
Imports*	429	341	284	25.8	15.4
Exports**	64	43	63	48.8	7.5
Trade balance	(365)	(298)	(221)	-22.5	--
Ratio of imports to apparent consumption#	38.6%	33.3%	28.1%	--	--
Luggage, handbags, and flat goods##					
Imports*	2,171	2,078	1,921	4.5	8.7
Exports**	133	103	125	29.1	13.7
Trade balance	(2,038)	(1,975)	(1,796)	-3.2	--
Ratio of imports to apparent consumption#	54.9%	53.7%	54.7%	--	--
Precious jewelry & related articles					
Imports*	2,608	2,761	2,548	-5.5	4.8
Exports**	428	424	323	0.9	27.1
Trade balance	(2,180)	(2,337)	(2,225)	6.7	--
Ratio of imports to apparent consumption#	44.9%	45.4%	43.9%	--	--
Costume jewelry & related articles					
Imports*	461	437	376	5.5	6.7
Exports**	110	89	65	23.6	29.0
Trade balance	(351)	(348)	(311)	-0.9	--
Ratio of imports to apparent consumption#	26.0%	25.4%	23.6%	--	--

* Customs value, which represents the price paid when sold for export, does not include U.S. import duties, freight, insurance & other charges incurred in bringing the merchandise to the U.S.

**f.a.s. (free alongside ship) U.S. port of export.

# Apparent consumption represents new domestic supply and is derived by subtracting exports from the total of manufacturers' shipments plus imports.

\##Flatgoods are products that fit into pockets or handbags, such as wallets and billfolds, eyeglass, cigarette, key, and non-musical instrument cases.

Source: U.S. International Trade Commission:
U.S. Trade Shifts in Selected Commodity Areas,
1990 Annual Report, USITC Publication 2380

FOREIGN TRADE

The Department of Commerce provides detailed information on exports and imports for consumption by country, as noted below.

1990 U.S. Imports and Exports of Specified Accessories
(Value in thousands of dollars)

	General Imports*	Primary Suppliers To U.S.	Exports**	Primary Destination
Handbags				
Outer surface leather, compos or patent	$431,852	China, Korea Italy	$11,443	Italy, Poland
Outer surface plastic sheet or textile	412,895	China, Korea	3,564	Mexico, Canada
n.e.s.	18,421	Taiwan	10,004	
Trunks, suitcases, etc,				
Surface leath, comp or pat	126,990	China, Korea	8,077	Ireland, Japan
Surface plastic or textile	274,535	Taiwan, China	32,111	Japan, Canada
n.e.s.	5,977		17,501	
Travel sets for personal toilet, sewing, etc.	17,613	Hong Kong	1,444	Canada
Cases, etc. usually carried in pocket or handbag	260,768	China	14,688	Canada
Handkerchiefs				
Not knit or crocheted	19,564	China	1,143	not specified
Shawls, scarves, mufflers mantillas				
Not knit	158,186	Italy, Japan	5,750	France, Canada
Knit, crocheted	18,369	Phil R	712	not specified
Gloves, mittens, and mits				
Not knit or crocheted	113,258	China, Taiwan	7,150	Mexico
Knit or crocheted, coated with rubber, plastic	36,847	China, Taiwan	24,211	Belgium
Gloves, n.e.s., mittens & mitts, knit or crocheted	124,055	Phil R, Taiwan	9,224	Belgium
Leather/Comp, not designed for sports	196,132	China, Phil R	14,033	Mexico
Rubber gloves	197,309	Malaysa	66,509	Mexico

n.e.s. not elsewhere specified

* Customs value, which represents the price paid when sold for export, does not include U.S. import duties, freight, insurance & other charges incurred in bringing the merchandise to the U.S.
General imports are a combination of: entries for immediate consumption, entries into Customs bonded warehouses, and entries into U.S. Foreign Trade Zone.

**f.a.s. (free alongside ship) U.S. port of export.

Source: U.S. Department of Commerce: Bureau of the Census, U.S. Merchandise Trade: Exports, General Imports and Imports for Consumption

FOREIGN TRADE

Gloves

Information on the role of imports and exports is compiled annually for gloves by the Census Bureau, the latest available covering the year 1989.

Rubber dipped unsupported gloves accounted for the majority of imports in 1989, in both quantity and value. While the quantity of imports of leather or leather/fabric combination gloves (217,495) lagged far behind rubber dipped gloves (8,569), the value ($200.2 million) came relatively close to rubber dipped ($221.5 million).

Exports and Imports of Gloves and Mittens: 1989
(Quantity in 1,000 doz. pairs; value in millions of dollars)

	Exports		% Exports to Shipments		Imports for Consumption	
	Quantity	Value	Quantity	Value	Quantity	Value*
Knit fabric gloves and mittens	602	$7.2	3.7%	$6.6	17,078	$131.9
Woven fabric gloves and mittens	658	6.7	11.1	9.1	10,916	57.1
All leather/leather fabric combination gloves and mittens	383	11.5	17.0	6.9	8,569	200.2
Rubber or plastic coat, impregnated and dipped supported gloves	2,245	24.5	32.1	18.6	3,528	36.1
Rubber dipped unsupported	43,149	76.7	29.5	23.2	217,495	221.5
All plastic gloves	14,622	48.2	nr	nr	185,422	102.2

nr not reported
* This dollar value represents the c.i.f. (cost, insurance, and freight) value at the first port of entry into the U.S. plus U.S. import duties.

Source: U.S. Bureau of the Census: Current Industrial Reports: Gloves & Mittens (MA23D(89)-1)

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

Projections by the U.S. Census Bureau show that from 1992 to 2000, the largest percentage increase by age group occurs among the 35-54 year olds. The number of males aged 35-54 will increase by 5.6% by the year 2000, and the number of females will increase 19.4%.

As the bulk of the population moves into middle age and approaches their highest income years, purchases of high-quality, luxury products such as jewelry will increase.

THE POTENTIAL MARKET

Furthermore, the ITA reports that the number of female workers will increase 1.5% annually over the next five years, while the number of male workers will grow 0.8%. Since working women are major purchasers of jewelry, they will be responsible for a growing share of future jewelry sales, the ITA reports. Also, the increasing numbers of white-collar employees should stimulate sales of office products, such as business cases.

Qualitative changes in the U.S. population will be favorable to travel, with corresponding increases in luggage purchases. According to the ITA, the following factors will stimulate travel in the long-term: the aging of the population, the increase in labor force participation among women, smaller families, delayed childbearing, and higher levels of education and income.

Estimated Population of the U.S. 1990 And Projections*
(Middle Series)

	Number (thousands)			% Change	% Distribution		
	1992(p)	2000(p)	2010(p)	1992/2000	1992(e)	2000(p)	2010(p)
MALE							
Total, all ages	124,306	131,191	138,333	5.5	100.0%	100.0%	100.0%
Under 19 years	36,749	37,569	36,063	2.2	29.6	28.6	26.1
20-24	9,381	8,889	9,831	-5.2	7.5	6.8	7.1
25-34	21,566	18,662	18,878	-13.5	17.3	14.2	13.6
35-54	33,310	40,241	40,018	20.8	26.8	30.7	28.9
55-64	10,040	11,557	17,173	15.1	8.1	8.8	12.4
65 & older	13,259	14,273	16,372	7.6	10.7	10.9	11.8
Median age (years)	32.6	35.2	37.5	8.0	--	--	--
FEMALE							
Total, all ages	130,215	137,076	144,241	5.3	100.0%	100.0%	100.0%
Under 19 years	35,032	35,773	34,285	2.1	26.9	26.1	23.8
20-24 years	9,204	8,711	9,622	-5.4	7.1	6.4	6.7
25-34 years	21,346	18,487	18,694	-13.4	16.4	13.5	13.0
35-54 years	34,252	40,893	40,391	19.4	26.3	29.8	28.0
55-64 years	11,117	12,601	18,257	13.3	8.5	9.2	12.7
65 & over	19,264	20,608	22,991	7.0	14.8	15.0	15.9
Median age (years)	34.8	37.6	40.3	8.0	--	--	--
TOTAL							
Total, all ages	254,521	268,266	282,575	5.4	100.0%	100.0%	100.0%
Under 19 years	71,781	73,344	70,348	2.2	28.2	27.3	24.9
20-24	18,584	17,600	19,453	-5.3	7.3	6.6	6.9
25-34	42,913	37,149	37,572	-13.4	16.9	13.8	13.3
35-54	67,563	81,134	80,409	20.1	26.5	30.2	28.5
55-64	21,158	24,158	35,430	14.2	8.3	9.0	12.5
65 & older	32,523	34,882	39,362	7.3	12.8	13.0	13.9
Median age	33.7	36.4	39.0	8.0	--	--	--

*Middle series of three different projections, each based on alternative assumptions for future fertility, mortality and net immigration levels. Includes armed forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: Based on U.S. Bureau of the Census: Current Population Reports (Series P-25, No. 1018) (Issued January 1989)

THE POTENTIAL MARKET

Bridal Market

The bridal market offers important selling opportunities for jewelry and bridal accessory retailers. According to the *1989 Bridal Market Retail Spending Study* compiled by *Modern Bride* the U.S. bridal market spent $2.5 billion at retail on jewelry and watches, representing 20.9% of total jewelry and watch sales. The report also indicated that gifts purchased by the bride and groom for parents, in-laws and attendants represent $213.7 million in annual retail sales. The most popular gift items purchased were jewelry (not filled or plated), costume jewelry, and crystal or porcelain gift items.

According to *Women's Wear Daily*, marketers of fashion accessories are more agressively pursuing the bridal market, especially with items such as fashion jewelry, due to the sales potential of this category.

Retailers noted that as bridal gown styles change, with cleaner shapes and necklines, these gowns call for more accessories. Accessories can make a simple bridal dress into a personal statement, one retailer indicated.

Christian Dior jewelry was one of the first fashion jewelry companies to make a strong pitch in bridal, *Women's Wear Daily* indicated. According to Christian Dior, bridal jewelry sales are expected to increase 40% in 1991 (bridal jewelry makes up 10-15% of the firms' business).

Two other jewelry firms that are now pushing bridal are Carolee Designs and the Richelieu division of Victoria Creations, Inc. Both firms expect to double their bridal business in 1991.

According to the U.S. Department of Health and Human Services, the total number of marriages increased slightly (1.8%) during 1990 compared to 1989. During the first half of 1991, the number of marriages fell 3.6% compared to the first half of 1990. Marriages in 1990 and 1989 exhibited the usual seasonal variations, with more couples marrying in June than any other month, and the fewest marriages occurring in January.

Number of Marriages By Month: 1989, 1990

	Number (in thous.)		% of U.S. Total	
	1990	1989	1990	1989
U.S. Total	2,448	2,404	100.0%	100.0%
January	121	117	4.9	4.9
February	143	126	5.8	5.2
March	161	159	6.6	6.6
April	177	185	7.2	7.7
May	247	228	10.1	9.5
June	274	291	11.2	12.1
July	224	217	9.2	9.0
August	264	245	10.8	10.2
September	236	231	9.6	9.6
October	219	210	8.9	8.7
November	190	188	7.8	7.8
December	191	208	7.8	8.7

Source: U.S. Department of Health & Human Services: Monthly Vital Statistics Report

NATIONAL ADVERTISING

Estimates on advertising-to-sales ratios by industry are compiled by Schonfeld & Associates, Evanston, IL, from a variety of sources, including the 10-K reports of publicly held companies. The following was published in Advertising Age magazine from the complete report, "Advertising Ratios & Budgets" (9/16/91).

In using the data it should be noted that expenditures included as advertising in 10-K reports may vary from company to company; privately-owned companies are not included; multi-industry companies are reported only in their primary industry (based on sales of their dominant line of business).

1991 Advertising Ratios for Specified Accessories Categories
(All media)

	Ad Dollars As % of Sales	Ad Dollars As % of Margins	Ad Dollars Annual Growth Rate %
Jewelry stores	2.8	8.2	11.4
Jewelry, precious metals	2.3	5.5	8.7
Apparel & accessory stores	1.9	5.0	5.0

Source: Schonfeld & Associates, Evanston, Il., Advertising Age, (September 16, 1991)

Fashion Jewelry

The fashion jewelry firm, Napier, introduced a new ad campaign in 1991, after twenty years with the same ad format. The decision was made after research determined that there had been a significant change in the way that women think about costume jewelry, the New York Times reports (9/11/91).

Previously, women thought the purpose of costume jewelry was to imitate the real thing, Napier indicated, but now women regard wearing costume jewelry as a "fun, enjoyable, imaginative exercise".

Napier decided that its old campaign was too staid, traditional and safe. The new ads will carry the theme "Napier. Not the usual you.", to emphasize that jewelry is "something you have fun with your own way." Napier plans to spend around $2 million for advertising in 1992.

Watches

Figures from the American Watch Association, as reported in Jewelers' Circular-Keystone (JCK), showed the watch industry spends $120-$135 million a year on advertising.

As a group, watch marketers spend the most on advertising than any product category in a jewelry store. According to LNA/Arbitron, the top 10 watch firms spent $84.9 million in ads in 1989, which was double the $44.4 million spent by the top 10 jewelry firms that year.

CONSUMER EXPENDITURES

The Department of Labor conducts an ongoing Consumer Expenditure Survey covering a national probability sample of U.S. households representing the total civilian non-institutional population of the U.S. The primary objective is to provide information on consumer spending patterns to be used as a basis for revising the Consumer Price Index, as well as to provide information not other wise available to marketers on household spending in terms of demographic characteristics.

The latest available information on purchases of accessories covers the year 1989 and is projectable to 95,818 consumer units in the U.S.--roughly equivalent to U.S. household counts (the term household is used in connection with the figures reported below).

Household purchases of men's and women's accessories, watches, jewelry, and luggage were, on average, higher in the West than any other region.

For men's accessories, expenditures were highest in the 35-54 year old category, and lowest in the 65+ group. Similar to men, women's accessory purchases were highest in the 35-54 year old age category but lowest in the under 25 group. Watch and jewelry purchases were also highest among 35-54 year olds while luggage purchases were highest in the slightly older group of 45-54.

Household Expenditure Patterns for Accessories
By U.S. Regions: 1989

	Total	Northeast	Midwest	South	West
Percent of U.S. Households	100.0%	21.0%	25.4%	33.3%	20.3%
Average annual household expenditures:*					
Men's accessories	$27.74	$25.52	$26.79	$28.39	30.21
Women's accessories	30.46	31.41	28.08	24.13	42.82
Watches	23.92	25.43	22.91	20.98	28.44
Jewelry	109.86	112.91	103.18	104.12	124.52
Luggage	7.92	6.74	8.73	7.52	8.77

Household Expenditure Patterns For Accessories
By Age: 1989

	Under 25	25-34	35-44	45-54	55-64	65+
Average annual household expenditures:*						
Men's accessories	$19.69	$32.03	$35.50	$30.88	$24.79	$17.97
Women's accessories	12.52	24.50	43.41	29.70	25.96	34.01
Watches	15.24	25.40	36.41	35.72	18.66	7.74
Jewelry	91.28	102.43	166.45	151.15	96.14	46.06
Luggage	3.82	4.96	11.13	13.94	8.44	4.63

Source for above two tables: U.S. Bureau of Labor Statistics
1989 Consumer Expenditure Survey

*The average is based on all households, which includes both purchasers and non-purchasers of the specified classification.

CONSUMER EXPENDITURES

The Department of Commerce provides personal consumption expenditure information for a variety of categories, including the accessory-related categories shown below. In 1990, combined clothing and accessory purchases fell a slight 0.2% (in constant $), and 4.2% (in current $). (Separate breakouts for accessories were not available).

Women accounted for 67% of the spending for clothing and accessories in 1990, according to the Department of Commerce.

The following expenditures cover the value at retail of goods reaching the consumer through all channels, including direct sales by manufacturers or wholesalers, etc.

Personal Consumption Expenditures for Specified Accessories: 1989,1990
(Billions of $)

	Current $		% Change	Constant 1982$		% Change
	1990(p)	1989(p)	1990/89	1990(p)	1989(p)	1990/89
Clothing and accessories*	182.1	174.7	4.2	146.5	146.8	-0.2
Women's and children's	121.2	116.5	4.0	97.0	98.2	-1.2
Men's & boys'	61.0	58.2	4.8	49.5	48.6	1.9
Jewelry and watches	28.6	27.4	4.4	21.1	22.0	-4.1

(p) preliminary
*does not include shoes, includes luggage

Source: U.S. Department of Commerce: Bureau of Economic Analysis
Survey of Current Business (July 1991)

Because of the many classifications that might be included in an accessories definition, and the lack of an accepted standard, little reliable information is available on the value of the retail market in total, as well as many of the component classifications.

This Fact File focuses on specific types of fashion accessories for which statistical data are available and which are not covered in other Fairchild Fact Files (such as Hosiery/Legwear/Bodywear and Men's Clothing and Furnishings). By some definitions these might be considered accessories.

It is estimated that the retail market for major classifications of fashion accessories for adults covered in this Fact File, not including jewelry, is valued at about $14-$17 billion.

The U.S. Census Bureau releases official information on merchandise line sales in specific retail outlet types, based on a complete survey of all retail outlets with one or more paid employees.

In order to classify store types, information developed in published census reports is more detailed for some outlet types than others. Sales of accessories were covered for major outlet types noted below. For some accessory categories, detailed information for catalog sellers and miscellaneous outlets carrying accessories were not reported.

RETAIL SALES BY PRODUCT

More detailed and up-to-date information was included from other sources, where available, for specific product categories.

Men's Accessories

Reported Sales of Men's Accessories by Store Type, 1987

	Stores Reporting Sales**		Sales	
	Number	Percent	Thous. $	Percent
Men's accessories*	35,148	100.0%	2,074,047	100.0
Department Stores#	8,883	25.3	1,234,536	59.5
Conventional	1,919	5.5	635,404	30.6
Discount/Mass Merchant	5,168	14.7	320,720	15.5
National Chain	1,796	5.1	278,412	13.4
Women's clothing stores##	1,229	3.5	46,272	2.2
Men's and boys' clothing stores###	13,133	37.4	462,504	22.3
Family clothing stores####	11,903	33.9	330,735	15.9

* Includes hats, gloves, neckwear, handkerchiefs, belts, wallets, rain accessories, etc. Jewelry and watches are not included.

**Each business location is separately counted as a store unit, including each unit in a multi-unit organization.

#Sales of leased departments are not included. Leased departments are separately counted as retail stores in the kind of business they conduct. The department store descriptions are as follows: Conventional - Department stores which provide checkout service and customer assistance within each department; sell primarily nationally advertised brands; National Chain Department Stores - provide check out service and customer service within each department; usually have a catalog order service: are affiliated with a company which operates similar stores on a national basis; often sell soft and hard goods which are their own brands or are unbranded. Discount or Mass Merchandising Department Stores - convey the image of high-volume fast turnover at less than conventional prices; provide centralized checkout service; are usually self service; do not have a catalog order service.

##Women's Clothing Stores - are stores primarily selling women's and girls' ready-to-wear apparel. Establishments are included in this category if (1) sales of all types of apparel account for 50 percent or more of total sales, (2) sales of all women's and girls' apparel are three or more times the sales of all men's and boys' apparel, and (3) sales of dresses, skirts, slacks, coats, suits, and furs are two or more times greater than the sales of millinery, hosiery, underwear, blouses, handbags, and other apparel and accessories.

###Men's and Boys' Clothing Stores - are stores primarily selling men's and boys' ready-to-wear clothing and accessories. Establishments are included in this category if (1) sales of all types of apparel account for 50% or more of total sales and (2) receipts from sales of all men's and boys' apparel are three or more times the receipts from sales of all women's and girls' apparel.

(continued)

(footnotes continued)

####Family Clothing Stores - are stores primarily selling clothing, furnishings, accessories for men, women, and children, without specializing in any one line and meet the following: (1) sales of all types of apparel account for 50% or more of their total sales; (2) sales of women's and girls' apparel are not more than three times the sales of all men's and boys' wear and vice versa.

Source: U.S. Bureau of the Census: 1987 Census of Retail Trade: Merchandise Line Sales (RC87-S-3)

Women's Accessories

Reported Sales of Women's Accessories by Store Type, 1987

	Stores Reporting Sales**		Sales	
	Number	Percent	Thous. $	Percent
Women's accessories*	62,692	100.0%	$4,825,833	100.0%
Department Stores	9,850	15.7	2,701,296	56.0
Conventional	2,381	3.8	1,567,939	32.5
Discount/Mass Merchant	5,693	9.1	727,261	15.1
National Chain	1,776	2.8	406,096	8.4
Women's clothing stores	37,481	59.8	1,410,112	29.2
Men's & boys'clothing stores	1,116	1.8	15,995	0.3
Family clothing stores	13,152	21.0	673,579	14.0
Children's and infants wear stores	1,093	1.7	24,851	0.5
Women's hats, wigs, hairpieces	11,084	100.0	259,386	100.0
Department Stores	5,552	50.1	207,053	79.8
Conventional	804	7.3	132,084	50.9
Discount/Mass Merchant	3,272	29.5	72,209	27.8
National Chain	1,476	13.3	2,760	1.1
Women's clothing stores	3,483	31.4	38,661	14.9
Family clothing stores	2,049	18.5	13,672	5.3

*Includes handbags, wallets, neckwear, gloves, belts, etc. Jewelry and watches are not included.

**Each business location is separately counted as a store unit, including each unit in a multi-unit organization.

Note: Detailed data on merchandise line sales of accessories in women's accessory & specialty stores was not included in the Census Reports. There were a total of 7,490 stores in this classification with women's and girls' wear sales of $2.4 billion and men's wear sales of $42.8 million.

Source: U.S. Bureau of the Census: 1987 Census of Retail Trade: Merchandise Line Sales (RC87-S-3)

RETAIL SALES BY PRODUCT

Jewelry

A source from Jewelers' Circular-Keystone magazine estimates total 1990 jewelry sales at $24.8 billion, up from $24.2 billion in 1989. (Estimates are based on government sources, including Census and Current Business Reports. Jewelers' Circular-Keystone defines jewelry as costume jewelry, precious metal jewelry, and watches.)

The census revealed that jewelry stores, with about $11 billion in jewelry sales, accounted for the largest percent of jewelry purchases (53%) in 1987. Total jewelry sales amounted to $20.7 billion in 1987, according to the Census Bureau.

Reported Sales of Jewelry By Store Type, 1987

	Establishments*	% of Total	1987 Sales Thous. $	% of Total
Jewelry, total sales	118,100	100.0%	$20,691,424	100.0%
Jewelry stores	28,050	23.8	10,965,473	53.0
General Merchandise Stores	23,805	20.2	6,903,136	33.4
Department stores	9,763	8.3	4,089,145	19.8
Conventional	2,346	2.0	1,756,563	8.5
National Chain	1,758	1.5	1,076,096	5.2
Discount/Mass Merchandising	5,659	4.8	1,256,486	6.1
Variety stores	7,210	6.1	125,613	0.6
Misc. general merchandise stores	6,832	5.8	2,688,378	13.0
Apparel, accessory stores	22,005	18.6	920,528	4.4
Catalog/mail order houses	2,904	2.5	614,465	3.0
Other retail outlets	41,336	35.0	1,287,822	6.2

* Covers each specific outlet type reporting sales.

Source: U.S. Bureau of the Census: 1987 Census of Retail Trade Merchandise Line Sales (RC87-S-3)

The following information on products within the jewelry classification was reported for the principal outlet types.

Jewelers' Circular-Keystone reports that watch sales grew from 13.9% of jewelry store sales in 1982 to 14.4% in 1987. This gain apparently came at the expense of jewelry other than diamond, gold, or precious gem pieces and china/flatwear.

RETAIL SALES BY PRODUCT

Jewelry (continued)

Reported Sales By Type of Jewelry and Related Products, 1987
(Sales in millions of dollars)

	Total		Karat Gold		Gemstone/Pearl		Watches/Other	
	Estabs.	Sales	Estabs.	Sales	Estabs.	Sales	Estabs.	Sales
Jewelry stores	28,050	$10,965.5	25,911	$2,392.8	28,050	$6,478.2	28,050	$2,094.0
Department stores	9,763	4,089.2	--	--	--	--	--	--
Conventional	2,346	1,756.6	1,624	398.4	1,030	254.6	2,240	1,103.6
National chain	1,758	1,076.1	1,772	227.8	1,726	294.7	1,756	533.6
Discount/Mass Merchandising	5,659	1,256.5	nr	nr	nr	nr	nr	nr

Source: U.S. Bureau of the Census: 1987 Census of Retail Trade: Merchandise Line Sales (RC87-S-3)

Costume Jewelry

A major market research firm, as reported in Discount Merchandising magazine, predicts that manufacturer's shipments for the costume jewelry market, which has a retail value of about $4 billion, will grow 5% annually for the next several years. A source from this firm said that the worst time for the economy is often the best for costume jewelry sales "because it is a time-honored approach to renewing a wardrobe".

However, this magazine also reports a gloomier outlook on the industry. One manufacturer believes that jewelry is a victim of the general retail slump, since jewelry is an impulse item, and with less traffic in stores, jewelry suffers.

According to a costume jewelry survey of top volume department stores conducted in 1991 by Accessories magazine, half the stores reported double digit decreases in sales.

Stores said that tailored, or basic, costume jewelry performed worse than other categories. Buyers almost unanimously named the specific tailored lines Monet, Trifari, Napier, and 1928 as their worst brands, Accessories indicated. The tailored business is cylical, and is at a low point now, revealed one buyer.

RETAIL SALES BY PRODUCT

Costume Jewelry (continued)

Best sellers, the report said, are pearls, including tinted shades, and color/fashion trend merchandise in many materials. Ninety percent of responding stores said that color is becoming increasingly important, and now accounts for about 27% of costume jewelry sales. Anything "crafty, original or handmade" was cited by buyers as high in demand. Some of the best selling fashion brands mentioned were Carol Dauplaise and Catherine Stein, Medici/Two Sisters, TACOA, Laurel Burch and Savvy.

The following statistics were included in Accessories' report:

Costume Jewelry Performance: 1990

Average initial markup	57.5%
Average markdown	18.0%
Average shortage	5.4%
Annual turn	2.3X
Average gross margin	49.5%
Average percentage in tailored merchandise	55.0%

Costume Jewelry Volume By Category

	1990	Fall '91 Estimated
Tailored	54.0%	50.0%
Fashion/trend	17.0	21.0
Bridge	16.0	15.0
Pearls	13.0	14.0

Costume Jewelry Volume By Classification

	1990	Fall '91 Estimated
Earrings	64.0%	64.0%
Necklaces	19.0	18.0
Bracelets	8.0	8.0
Pins	9.0	10.0

Costume Jewelry Volume by Retail Pricepoint

	1990
Under $10	22.0%
$11-$25	44.0
$26-$50	25.0
Over $50	9.0

Source: Accessories Magazine
Research Department

Luggage

Showcase magazine provides estimates on sales of luggage and personal leather goods, based on data provided by manufacturers, government import data and estimates by the Showcase publisher based on phone interviews with industry people.

According to Showcase, in 1990, retail sales of luggage declined slightly (-0.7%) to $2,590 million, after increases of 4% and 7% in 1988 and 1989, respectively. Sales of business cases fell a sharp 15% in 1990, after an 8% increase during the prior year. Trunk sales were the only category that reported a gain in 1990, improving by 7%.

Luggage (continued)

In units, luggage sales were essentially flat in 1990, business case sales declined by 10.5%, and trunks picked up by 10%, Showcase reports.

Retail Sales of Luggage, Business Cases and Trunks
(Millions of dollars)

	1990	1989	1988	% Change 1990/89
Total	$3,213.6	$3,334.3	$3,109.0	-3.6
Luggage	2,590.0	2,608.0	2,437.0	-0.7
Business Cases	593.0	697.7	646.0	-15.0
Trunks	30.6	28.6	26.0	7.0

Unit Sales, 1988 Through 1990
(Thousands of Units)

	1990	1989	1988	% Change 1990/89
Luggage	88,300.0	88,381.0	86,649.0	-0.1
Business Cases	10,500.0	11,727.0	11,497.0	-10.5
Trunks	1,100.0	1,000.0	962.4	10.0

Source: Showcase Magazine

Department stores continue to be the top outlet for luggage purchases in 1990, accounting for 29% of total sales, followed closely by Discount/Mass Merchandise outlets, accounting for 28% of total sales. When comparing 1990 to 1989, Mass Merchandise outlets showed the largest sales gain in the luggage category, improving by 2.3%. Catalog showrooms suffered the greatest loss in 1990 with an 8% decline in sales.

Luggage Case Sales By Retail Class
(In millions $)

	1990	1989	1988	% Change 1990/89
Total	$2,590.0	$2,608.0	$2,437.0	-0.7%
Catalog Showroom	240.0	261.0	292.0	-8.0
Department Store	750.0	756.0	704.0	-0.8
Discount/Mass Merchant	720.0	704.0	610.0	2.3
Luggage Store	280.0	287.0	269.0	-2.4
Mail Order	235.0	235.0	195.0	0.0
Military	77.0	78.0	73.0	-1.3
Other*	288.0	287.0	293.0	0.3

*Includes specialty stores (other than luggage) e.g. gift, drug, sports, stationery, premium incentive, telemarketing.

Source: Showcase Magazine

RETAIL SALES BY PRODUCT

Luggage (continued)

A breakout of luggage sales by product revealed that the large duffel/roll bag category showed the sharpest increases in 1990, improving by 26.1%. Backpack/daypack sales declined most severely in 1990, falling by 13.1%.

Luggage Sales By Product
(In millions $)

	1990	1989	1988	% Change 1990/89
Total	$2,590.0	$2,608.0	$2,437.0	-0.7
Backpack/Daypack	181.3	208.6	170.6	-13.1
Casual sport bag	129.5	130.4	146.2	-0.7
Cosmetic/Train case	77.7	78.2	73.1	-0.6
Duffel/Roll bag (large)	98.6	78.2	73.1	26.1
Garment/Suit bag	492.1	469.4	438.7	4.8
Pullman, 26" and up	621.6	652.0	633.6	-4.7
Pullman, 24-25"	207.2	208.6	146.2	-0.7
Pullman, Under 24" and Carry-on	367.6	391.2	365.6	-6.0
School bag	25.9	26.1	24.4	-0.8
Tote, Small duffel/role bag	388.5	365.1	365.6	6.4

Source: Showcase Magazine

Information on total sales of luggage and covered leather goods is not available from the Census Bureau. However, the following information has been reported for major outlet types in 1987.

Reported Sales of Luggage & Leather Goods, 1987

			1987 Sales	
	Estabs.	% of total	Mil. $	% of total
Luggage & leather goods (excluding men's & women's small leather products)				
Total for reporting outlets	16,408	100.0%	$1,825.6	100.0%
Luggage/leather goods stores	2,009	12.2	710.2	38.9
Department stores	4,224	25.7	559.2	30.6
Conventional	1,863	11.4	311.5	17.1
National chain	1,694	10.3	202.8	11.1
Discount/mass merchandising	667	4.1	44.9	2.5
Variety stores	3,835	23.4	54.1	3.0
Misc. general merchandise stores	3,875	23.6	336.1	18.4
Catalog/mail order houses	2,465	15.0	166.0	9.1

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade,
Merchandise Line Sales (RC87-S-3)

RETAIL SALES BY PRODUCT

Personal Leather Goods

Sales of personal leather goods were $975.2 million in 1990, the same figure reported for 1989. Showcase said that 1990 marked the first year of no-growth in personal leather goods since the 1982-1983 recession.

Total Personal Leather Goods Sales: 1988-1990
(In millions $)

	1990	1989	1988	% Change 1990/89	% Change 1989/88
Personal leather goods	$975.2	$975.2	$920.0	0.0	6.0

Source: Showcase magazine

Department stores are the primary retail outlet for purchases of personal leather goods, accounting for 47% of total sales. However, personal leather goods sales at department stores declined by 2.1% in 1990, after an 8.3% increase in 1989. Sales at Discount/Mass Merchandise outlets showed improvement in 1990, increasing by 4.1%. Showcase indicated that while some discount chains went into Chapter 11, this was more than offset by gains among Mass Merchants.

Sales By Type of Retailer
(Millions of $)

	1990	1989	1988	% Change 1990/89	% Change 1989/88
Department store	$458.0	$468.0	$432.0	-2.1	8.3
Discount/Mass Merchant	254.0	244.0	230.0	4.1	6.1
Luggage store	117.0	117.0	110.0	0.0	6.4
Other	146.0	147.0	147.0	-0.7	0.0

Source: Same as above

Share of Sales, Ladies' Vs. Men's Items
(Millions of $)

	1990	% Share	1989	% Share
Ladies' Items	536	55.0	540	55.4
Men's Items	439	45.0	435	44.6

Source: Showcase magazine

According to Showcase, the Pacific region is the largest market for sales of personal leather goods in 1990, accounting for $180 million in sales (the region includes California, Oregon, Washington, Alaska, and Hawaii). In 1989, the Mid-Atlantic region was the largest market for these products.

RETAIL SALES BY PRODUCT

Personal Leather Goods (continued)

The ladies small leather goods market is just now catching up to the handbag market in both color and innovation, Women's Wear Daily reports. Vendors are realizing that in order to boost sales, they must create fun, colorful assortments.

Interesting items recently introduced include wallets on a string, minibags in fashionable colors, coin purses with chains that can be attached to a belt loop, and wallets with a leather loop so that it can be worn on a belt. Nontraditional colors gaining popularity include parsley, cornflower, lobster, lemonade, and raspberry.

Handbags

Within the past year, there has been a renewed interest in the handbag industry, driven by color, newness, and a explosion in the better and bridge-price handbag business.

Sales of women's purses/wallets reached $1.1 billion dollars for the first nine months of 1991, a 9.2% increase compared to the same period a year earlier. Unit sales were 67.5 million, a 1.7% increase compared to last year.

Recent handbag innovations, which are pumping excitement and boosting sales, include the revival of top handle bags, quilted styles, structured shapes, and bright colors. According to Accessories magazine, stores insist that color merchandise is necessary to boost sales, and typically accounts for about 25% of total volume in handbag departments.

There has been an influx of new players into the handbag market in the past year Women's Wear Daily reports. As the signature handbag business slips, there are more opportunities in areas such as bridge, which offer designer looks at a lower price. One retailer believes that the influx of new bag lines is due in part to the economy, since in slow economic times, the industry sees accessories as outperforming apparel and other areas in stores.

New players this year, coming from a variety of backgrounds, include apparel designers, sportswear firms, and young handbag designers. Since the list of new entries is extensive, only a few examples are cited here: Leslie Fay (sportswear company signed license with B.H. Smith), Chaus (Chaus accessories, a division of Michael Stevens, Ltd.), Giorgio Beverly Hills (fragrance firm, licensed name to Creat American Leatherworks), Escada (German apparel firm), David Smith (handbag designer), and Ellen Tracey (apparel firm signed license with Susan Gail Handbags, Inc.).

RETAIL SALES BY PRODUCT

Scarves

Retailers are hoping that the women's scarf business will pick up after two soft years at retail, reports Women's Wear Daily. A stronger emphasis on variety and newness, better presentation and service at retail, a wider range of prices and keying into new fashion trends should help the business rebound, according to vendors and retailers.

Sales of women's scarves/hats were $150.8 million for the first nine months of 1991, a 28.6% decline compared to the first nine months of the previous year, according to MRCA.

Sales of men's scarves/hats, however, increased 12.9% to $87.7 million for the first nine months of 1991 compared to 1990, MRCA reports.

According to one retailer, sales of women's scarves should improve in part because of the Sixties trend, a popular era for scarves, and also because dresses are important and scarves are a great way to add color and interest.

Gloves

The glove category is experiencing a resurgence after several years of flat or declining sales, aided by the return of top handle bags, the Jackie O dress, and a rediscovery of gloves by numerous designers, reports Women's Wear Daily.

Glove/mitten sales jumped 20.7% in units and 13.9% in dollars for the first nine months of 1991 compared to the same period of 1990, according to MRCA, a Stamford, Connecticut, research firm. Unit sales reached 16.3 million (pairs), while in dollars, sales reached $80.6 million for the first nine months of 1991, MRCA reports.

Vendors and retailers agree that novelty styles will be the key to increasing business. Styles will include an assortment of color, fabrics, and more evening styles, according to Women's Wear Daily. Novelty items include plaid and houndstooth fabric gloves, colorblock gloves and trims such as pearls, hearts and other jewelry ornaments.

For department stores, the glove business has been dominated by private label and basic merchandise with an emphasis on function rather than fashion. However, stores are rethinking the classification, trying to make it less weather dependent and more fashion forward.

RETAIL SALES BY OUTLET

Department Stores

Sales of Specified Accessories in Department Stores, 1987
(Includes only establishments with payroll)

			Sales of Specified Merchandise Line		
				% of total sales of:	
	Establishments		Amount	Establish.	All
	Number	Percent	(thous.)	Selling Line	Establish.
Conventional					
Reported total	2,425	100.0%	$46,017,837	--	100.0%
Men's accessories	1,919	79.1	635,404	1.7	1.4
Women's accessories	2,381	98.2	1,567,939	3.4	3.4
Women's hats, wigs & hairpieces	804	33.2	132,084	0.6	0.3
Jewelry	2,346	96.7	1,756,563	3.9	3.8
Karat gold jewelry	1,624	67.0	398,413	1.2	0.9
Diamond, Gemstone, and pearl jewelry	1,030	42.5	254,578	1.0	0.6
Other jewelry	2,240	92.4	1,103,562	2.5	2.4
Luggage and leather goods	1,863	76.8	311,521	0.8	0.7
Discount or Mass Merchandising					
Reported total	5,798	100.0	62,553,795	--	100.0
Men's accessories	5,168	89.1	320,720	0.6	0.5
Women's accessories	5,693	98.2	727,261	1.2	1.2
Women's hats, wigs & hairpieces	3,272	56.4	72,209	0.2	0.1
Jewelry	5,659	97.6	1,256,486	2.0	2.0
Karat gold jewelry	nr	--	nr	--	--
Diamond, Gemstone, and pearl jewelry	nr	--	nr	--	--
Other jewelry	nr	--	nr	--	--
Luggage and leather goods	667	11.5	44,881	0.5	0.1
National Chain					
Reported total	1,818	100.0	35,445,344	--	100.0
Men's accessories	1,796	98.8	278,412	0.8	0.8
Women's accessories	1,776	97.7	406,096	1.2	1.1
Women's hats, wigs & hairpieces	1,476	81.2	27,630	0.1	0.1
Jewelry	1,758	96.7	1,076,096	3.1	3.0
Karat gold jewelry	1,722	94.7	227,783	0.7	0.6
Diamond, Gemstone, and pearl jewelry	1,726	94.9	294,715	0.9	0.8
Other jewelry	1,756	96.6	553,598	1.6	1.6
Luggage and leather goods	1,694	93.2	202,839	0.6	0.6

Source: U.S. Department of Commerce: Bureau of the Census: 1987 Census of Retail Trade

RETAIL SALES BY OUTLET

Specialty Stores

Sales of Specified Accessories in Specialty Stores: 1987
(Includes only establishments with payroll)

			Sales of Specified Merchandise Line		
				Percent of total sales of:	
	Establishments		Amount	Establish.	All
	Number	Percent	(thous.)	Selling Line	Establish.
Men's clothing stores					
Reported total	16,507	100.0%	$88,868,812	--	100.0%
Men's accessories	13,133	79.6	462,504	6.5	5.2
Women's accessories	1,116	6.8	15,995	1.3	0.2
Jewelry	400	2.4	6,901	2.4	0.1
Women's clothing stores					
Reported total	52,304	100.0	25,867,595	--	100.0
Men's accessories	1,229	2.3	46,272	2.1	0.2
Women's accessories	37,481	71.7	1,410,112	6.7	5.5
Hats, wigs, and hairpieces	3,483	6.7	38,661	1.5	0.1
Jewelry	13,215	25.3	355,732	4.2	1.4
Family clothing stores					
Reported total	18,443	100.0	21,117,145	--	100.0
Men's accessories	11,903	64.5	330,735	2.6	1.6
Women's accessories	13,152	71.3	673,579	4.1	3.2
Hats, wigs, and hairpieces	2,049	11.1	13,672	0.5	0.1
Jewelry	5,967	32.4	414,268	3.9	2.0

Source: U.S. Department of Commerce: Bureau of the Census: 1987 Census of Retail Trade

Specialty accessory chains have experienced rapid growth and expansion in a market which is estimated at $14-$17 billion nationally, according to a trade source. Typical accessory items sold at these outlets include costume jewelry, hair goods, handbags, small leather goods, scarves, etc.

Claire's Boutiques, Inc., one of the major players in the accessories business, operates 950 stores, most of which are called Claire's (volume priced), while the remainder are called Topkapi (mid-priced), and Dara Michelle (upscale).

Up until 1991, Claire's performance has been commendable, with sales reaching $190 million in 1990, up from $74.5 million in 1986. However, in 1991, performance took a turn for the worse. For the six months ended August 3, 1991, Claire's earnings slumped to $1,350,000 from $6,621,000 in the year ago period, Women's Wear Daily reports. According to Johnson Redbook, as reported in Women's Wear Daily, company-wide store sales were off 10% in September 1991, and 8% year-to-date. The company indicated that recent management changes (including the firing of the company president and CEO), should result in improved results in the future.

Specialty Stores (continued)

Other major players in the business are Accessory Lady, Accessory Place, Afterthoughts, the Icing, and Cabaret.

A buyer for the Icing indicated that sales were up significantly in 1991, with continued sales improvements expected.

Some accessory chains mention the following merchandising and marketing strategies as contributing to their success: use of open display and concentration on visual presentation; use of merchandising teams to develop excitement and new product speedily; treatment of accessories as a specialty category; overseas sourcing; providing affordable, fashion forward merchandise; the ability to react quickly to trends and new items; good location and visibility of shops.

Consumer Prices

The Bureau of Labor Statistics issues monthly and annual consumer price indexes covering a full range of goods and services purchased by consumers. For accessories, however, coverage was limited to jewelry and watch prices.

Jewelry prices jumped 10% in 1990 compared to 1989, according to the Bureau of Labor Statistics. Watch prices rose a moderate 1.2% during the same period.

Consumer Price Indexes on Jewelry & Watches For All Urban Consumers
(Base Period 1986=100)

	Annual Averages		% Change
	1990	1989	1990/1989
Watches & jewelry	131.0	121.0	8.3
Watches	110.1	108.8	1.2
Jewelry	136.9	124.5	10.0

Source: U.S. Department of Labor:
Bureau of Labor Statistics

CONSUMER PURCHASE PATTERNS

Teenage Market

In 1989 Seventeen Magazine conducted a retail survey, which consisted of two questionnaires--one focused on general shopping and one on apparel shopping. Both questionnaires were mailed to two of Seventeen's Consumer Panels, of 2,000 each, representing a cross section of the female 13-21 market. The results were balanced by age and geographic area to Census data.

CONSUMER PURCHASE PATTERNS

Teenage Market

The completion rate for the General Shopping Survey was 54.5%; for the Apparel Shopping Survey, 53.2%.

Comparable data from Seventeen's 1987 Retail Sales survey was available only for the question on "Place of Purchase For Accessories", noted below. In 1989, Clothing stores/Boutiques replaced department stores as the primary place of purchase for accessory items. Discount apparel stores also gained popularity in 1989 compared to 1987. Fewer girls chose Drug Stores as a place of purchase for these products in 1989 vs. 1987.

In 1989, girls chose Department Stores as the primary place for jewelry purchases, followed by Clothing stores/Boutiques.

The average price paid for costume jewelry in 1989 was $21.0; for fine jewelry, $73.0; for a watch, $56.0; for gloves/scarves/hats, $10.0.

Usual Place of Purchase For Accessories
(Base: All Girls)

	1989	1987	% Change 1989/87
Clothing store/Boutique	40.0	25.6	56.3
Department store	26.8	37.4	-28.3
Discount variety store	8.4	9.3	-9.7
Discount apparel Store	7.3	3.9	87.2
K-Mart	5.6	9.3	-39.8
J.C. Penney	4.5	5.2	-13.5
Don't buy	3.1	*	--
Drug Store	2.2	6.2	-64.5
Other	2.1	*	--

*"Other" and "Don't buy" results were not reported in the 1987 study.

Source: Seventeen Magazine
Retail Survey 1989, 1987

Usual Place of Purchase For Jewelry
(Base: All Girls)

	1989
Department Store	35.0
Clothing store/Boutique	33.5
J.C. Penney	9.1
Other discount/variety store	5.8
Discount apparel store	3.6
K-Mart	2.0
Other	4.8
Don't Buy	6.2

Source: Seventeen Magazine
Retail Survey 1989, 1987

CONSUMER PURCHASE PATTERNS

Teenage Market (continued)

Average Amount of Money Spent on an Item of Costume Jewelry
(Base: All Girls)

	1989
$30 or more	12.6%
$20 - $29	15.9
Less than $20	71.5
Average	$21.0

Average Amount of Money Spent on an Item of Fine Jewelry
(Base: Total)

	1989
$100 or more	34.3%
$75 - $99	11.6
$50 - $74	12.3
$40 - $49	8.8
$30 - $39	11.9
$20 - $29	9.9
Less than $20	11.1
Average	$73.0

Average Amount of Money Spent on a Watch
(Base: Total)

	1989
$100 or more	12.9%
$75 - $99	8.5
$50 - $74	19.5
$40 - $49	18.8
$30 - $39	22.3
Less than $30	18.0
Average	$56.0

Amount of Money Spent On:

	Gloves/Hats/ Scarves	A Belt
$20 or more	11.8%	11.3%
$15 to $19	13.5	13.4
$10 to $14	21.2	23.1
$5 to $9	24.2	28.7
Less than $5	29.3	23.5
Average	$10.0	$11.0

CONSUMER PURCHASE PATTERNS

Bridal Market

Bride's magazine released a report on the formal wedding market, based on 1,374 responses to a survey of their readers, conducted in August 1990.

Bride's readers were asked which special accessories were worn with their wedding gown. The most popular accessory mentioned was shoes (purchased by 98% of respondents), followed by hosiery (98%), and then earrings (93%). (Totals will exceed 100% due to multiple mentions.)

Accessories Worn With Wedding Dress

Shoes	98%
Hosiery	98
Earrings	93
Garter	87
Lingerie	76
Pearl Jewelry	53
Necklace	45
Diamond Jewelry	35
Handkerchief	26
Handbag	25
Bracelet	17
Gold/Precious Metal Jewelry	13
Gloves	13
Costume Jewelry	8
Bible	6
Other	2

When asked which gifts were given to the maid of honor and bridesmaids, respondents most frequently chose earrings (40%) followed by a necklace (35%). Respondents were also asked which gifts their fiance gave to the best man and ushers. Mugs were chosen most often (20%), followed by pen & pencil sets (15%), and then money clips (13%)

Gifts to Attendants of the Bride	
Earrings	40%
Necklace	35
Boxes (crystal/porcelain)	16
Picture frame	11
Bracelet	10
Silver items	6
Fragrance	5
Bridesmaid statue	5
Personal care appliances	4
Pins	3
Crystal	2
All other	16

Gifts to Attendants of the Groom	
Mugs	20%
Pen & pencil sets	15
Money clip	13
Key chains/key rings	9
Cufflinks/tie pin set	9
Wallet, billfold	8
Sports equipment	6
Silver items	6
Jewelry other than cufflinks/ tie pin set	5
Personal care appliances	4
Knife	3
Grooming kit	2
Clock	2
Watch	2
Flask	1
All other	17

Source: Bride's Magazine, August 1990 Survey

FACT FILE SPECIAL EDITIONS

Statistical Analysis of Retailing: A detailed statistical summary of retail trade in the U.S. based on the findings in the 1987 Census of Retail Trade issued by the U.S. Census Bureau in 1989. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, geographical changes, etc.

Merchandise Sales By Retail Outlet: Based on U.S. Census Bureau data issued in 1990, this special study covers sales in a wide range of product lines using retail outlets, including apparel, footwear, sporting goods, home furnishings, food and drugs. Sales are detailed, and trends analyzed on market shares held by major outlet types, using Census of Retail Trade data, which is published only once every five years. A must for marketing and merchandising people.

The Impact of a Maturing Market: Covers the implications for marketers of the changing lifestyle of an aging population, focusing on market segments within the mature market. The baby boomers now mostly in their 30s and 40s are an important aspect of this market. Many are confronting new developments affecting their careers and income prospects as the country enters a recession. The older population is setting a new course in lifestyles, with improvement in income, health and longevity. Available data on current developments and outlook for segments within the 30-plus U.S. population are covered.

SCHEDULE OF ADDITIONAL FACT FILES

The Children's Market: Infants', Toddlers', Girls' and Boys' (Apparel, Juvenile Products, Toys/Dolls): Covers demographic trends affecting this market, including births, population projections by age, and characteristics of households with children. Includes detailed information on the U.S. children's wear industry, including production and shipments, foreign trade and price trends. Also covered are market trends for juvenile products (cribs, strollers, etc.) and for toys, games and dolls.

Consumer Market Developments: An annual overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market--living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

Dresses and Washable Service Apparel (Women's, Misses' & Juniors'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, washable service apparel, ensembles, etc. Includes number and size of manufacturers, production, and value of shipments, industry location and trends in employment levels. Analyzed is the governing impact of imports on total U.S. market supply. Retail sales by major type of retail outlet are covered, as well as growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

Fashion Accessories (Men's, and Women's): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

Footwear (Men's, Women's, Boys', Girls'): An annual statistical summary of the U.S. footwear industry and U.S. market. Covers domestic production and shipments, and details trends in imports and their share of the domestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

Home Textiles & Related Products: Includes the latest statistics on the U.S. industry, including manufacturers of a wide variety of products--bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

Hosiery/Legwear/Bodywear (Men's, Women's, Boys', Girls'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections, and estimates are included on retail sales of major products by type of retail outlet.

Household Appliances, Electric Housewares: Covers a broad range of products included in these two classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

Household Furniture and Bedding: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

Men's Clothing and Furnishings: Provides a summary of major market trends in the men's furnishings/work/career apparel area and the tailored clothing areas, as well as in the rainwear area. Covers production and shipment information, employment trends, manufacturer concentration levels, location of the industries. Also examines import/export material. There's a look at the consumer market, plus in-depth details covering the retail level including sales and operating results for men's furnishings/work/career apparel/and tailored wear in both department and men's wear stores.

Men's Sportswear, Casual Wear, Outerwear: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

The Sports/Fitness/Leisure Markets: Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specified products, concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics and sports participation levels and purchases of specific sports equipment.

Sportswear, Casual Wear, Separates (Women's, Misses' and Juniors'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, seasonal patterns, and consumer buying habits.

The Textile/Apparel Industries: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed, as well as quota developments. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

Toiletries, Cosmetics, Fragrances and Beauty Aids: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures and foreign trade. Consumer expenditures by product are detailed as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specified products.

Women's Inner Fashions: Nightwear, Daywear and Loungewear: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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Fairchild Fashion & Merchandising Group
New York

Consumer Market Developments

FAIRCHILD FACT FILE

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CONSUMER MARKET DEVELOPMENTS

Major Trends

The value of all types of goods and services reaching the consumer represents about two-thirds of the overall measurement of the nation's economic well being: the Gross Domestic Product (GDP). The component accounted for by sales through retail outlets accounts for about a third of GDP (which in inflation-adjusted dollars lagged 0.7% behind 1990). The consumer is clearly the key to a strong recovery from the recession, which started in July 1990, but at year's end was indicating a fairly weak turn-around in spending.

For all of 1991, preliminary Census Bureau retail trade reports registered a gain of only 0.8% over 1990. With adjustment for inflation, it is estimated that retail sales declined 0.5%--the largest yearly drop since the recession year 1982, when inflation-adjusted sales fell 0.8%.

Personal consumption expenditures were up 3.8% in current dollars, down 0.2% when adjusted for inflation in 1991 over 1990. Disposable personal income in current dollars went up 3.9%, compared with 1990's 6.8% gain, and barely beating the 3.1% rise in inflation as measured by the Consumer Price Index. Per capita disposable income rose 2.85% in current dollars, dropped 1.14% inflation-adjusted.

The number of unemployed--people seeking work--rose by 290,000 in December to 8.9 million (after seasonal adjustment), and the unemployment rate rose to 7.1% from 6.9 in October and November. Bad as it was, it is known that the actual unemployment picture is worse than reported. The Labor Department reported 108.8 million non-farm payroll jobs in December, 782,000 fewer than a year earlier. But revisions now underway indicate that the final tally may show a loss of 1.4 million jobs--twice the size of the typical annual revision. Planned layoffs by large employers continued to make headlines.

It is not surprising that measurements of consumer confidence failed to show a pickup by year's end. Close to one out of four households reported one or more members had been unemployed during the year, with an average duration of joblessness lasting six months. Of people back on a new job, 45% are earning less money than in their previous position, 20% were earning more. The Conference Board's consumer confidence index, which is a widely watched barometer of future consumer spending, slipped to 52.4 in December, from a high of 81.1 in March.

Measures have been taken by governmental agencies to stimulate consumer spending, and more will probably be launched, particularly to spur new home buying. An Emergency Unemployment Compensation Program enacted at the Federal level in December 1991 provided extended periods of unemployment benefits to claimants who have exhausted their payments, and some states have enacted additional benefit programs.

Major Trends (continued)

Optimists look for recovery in consumer spending as the significant interest-rate cuts by the Federal Reserve Board in late 1991 take full effect. Thusfar, at the consumer level the impact shows up in refinancing mortgages or in using available funds to start paying off heavy debt loads acquired in the 1980s decade of over-spending, low-savings on the part of many households. Businesses are taking advantage of the lowest rates in more than 25 years to refinance expensive debt rather than new borrowing for expansion (and hiring). Meanwhile, many people relying on interest income to a great extent are being hurt by the cuts, particularly retirees on fixed incomes.

Cost-conscious consumers have fostered a rapid growth in outlet malls and value retail centers, which are taking business from traditional retailers and leading to cost-cutting measures along with price promotions. According to the trade publication Retail Value News, outlet malls had sales of $6.3 billion last year, up nearly 5% from 1990. Manufacturers' outlet stores and off-price retailers are being joined to an increasing extent by department store clearance centers in value-retail centers to keep up with customers who have become ever-more attuned to buying off-price or not at all. Traditional malls and traditional stores are under pressures that will not let up with recovery from the recession. According to Advertising Age, there were 276 outlet malls and value retail centers in the U.S. in 1991, a gain of 140% in five years. Meanwhile, many department stores and specialty stores, operating in over-stored areas, are shutting down.

The following pages provide details on the economy affecting consumer market developments, and also on the changing demographics of the market--a key factor in looking into the future. Starting are summaries of some of the details to be found in the 1990 Census of Population and Housing--a continuing outpouring of data by the Census Bureau which will lay the groundwork for local market measurements.

POPULATION PROFILE: U.S. TOTAL

1990 Census

With the release starting in mid-1991 of the accepted counts developed in the 1990 Census of Population and Housing, the Census Bureau began a flow of very detailed information on the make-up of the U.S. population and on housing characteristics that will continue for many months. This section includes some of the findings released thus far from the Census, which is conducted every 10 years.

Well-publicized problems plagued the census, mainly those connected with lower-than-expected participation by certain segments of the population resulting in undercounts, particularly of minorities. After the option of changing counts by a computerized statistical process was considered, in July 1991 the Secretary of Commerce announced the decision not to make this adjustment, but rather to have the Census Bureau incorporate information gleaned from a Post-Enumeration Survey (PES) into its intercensal population estimates.

The PES, plus revised demographic analysis released by the Census Bureau in June 1991 as tools for evaluating census coverage, resulted in an estimated 254 million resident population. This was 2.1% higher than the accepted count of 249. Estimates based on the PES were compiled for states and for counties and cities with a population over 100,000, as well as for racial groups and the male/female composition. Accepted counts for the U.S. as follows:

	April 1 1990 Census	April 1 1980 Census	Increase No. (Mils).	%
Population, including Armed Forces Overseas, total	249,632,692	231,106,727	18.5	8.0%
Resident population	248,709,873	226,545,805	22.2	9.8

In the flow of 1990 census data marketers will find demographic and housing details on geographic basis, including regions, divisions, states, metro areas, urban/rural, census blocks and more--the first such comprehensive information available since 1980 in most cases. This FACT FILE focuses on some of the findings available for the resident population, and for housing, supplemented by other current sources of information such as the Census Bureau's annual population and housing surveys.

The population growth rate for the 1980s at 8% was the second lowest in census history (7.3% increase in the Depression decade of the 1930s). The peak rate of 18.5% was noted in the 1950s, which included a major share of the baby-boom years (1946-1964). Slower growth in the ensuing years is attributed to a sharp drop in births, not offset by the increase in net immigration noted since the 1950s.

The Census Bureau estimates U.S. population as of July 1 each year. In 1991, residents numbered 252.1 million, a gain of about 1.1% over the total a year earlier, and 3.4 million more than the April 1990 count. The following estimates for 1980-1991 incorporate, where required based on the complete census, revisions in previously reported numbers.

POPULATION PROFILE: U.S. TOTAL

1990 Census (continued)

ESTIMATES OF THE POPULATION BY TYPE: Selected Years 1990-1991
(Numbers in thousands, as of July 1)

Year	Total*	Resident Population	Civilian Population
1991	252,626	252,120	250,504
1990	249,975	249,466	247 826
1989	247,350	246,828	245,140
1988	245,051	244,529	242,847
1985	238,466	237,924	236,219
1980	227,719	227,217	225,613

* Includes Armed Forces Overseas.

NOTE: Earlier issues of CONSUMER MARKET DEVELOPMENTS have included population forecasts by the Cenus Bureau, published in 1988, covering estimates for 1988-2080 in three series, based on high, middle and low growth assumptions. The middle series for July 1990 placed the estimated total population (including Armed Forces Overseas) at 250,410,000; for July 1, 1991, 252,502,000--close to the later estimate noted above which has been based on the 1990 census.

Source: U.S. Bureau of the Census,
Economics and Statistics Administration

Race and Hispanic Origin

The challenges of the nation's changing racial composition must be faced by most marketers of consumer goods to a degree not anticipated just a few years ago. The change is continuing at an accelerated pace and is of major importance in the dynamics of consumer needs, wants, and buying power.

Persons of Hispanic origin have registered the greatest increase in share of residents. In the 1980-1990 period, while the overall population gained 9.8%, Hispanics increased by 53% and their share of the total rose from 6.4% to 9.0%. It is expected to account for 15% by year 2020.

But marketers must be aware that the estimated 22 million Americans of Hispanic origin are far from a homogeneous group. They comprise people who are racially varied, with origins in many different countries, with very different cultures and very little in common. However, a large percentage (estimated by some at 60%) were born in the U.S., and many of these, particularly the younger people, are English-speaking and in the mainstream of U.S. consumers. In general, recent immigrants among all races appear less eager to become assimilated in American culture, but tend to cling longer than in the past to their language and customs.

POPULATION PROFILE: U.S. TOTAL

Race and Hispanic Origin (continued)

Although people of Hispanic origin (who may be of any race) accounted for a major share of population growth, smaller groups of minorities are increasing at an even faster rate. These include Asian or Pacific Islanders--up 95.2% on an adjusted count basis (see footnote below) between 1980 and 1990. Within this broad classification, the number of Asians, Indians, Koreans, Vietnamese and Chinese each more than doubled.

Non-Hispanic whites made up 76% of the resident U.S. population in 1990, down from about 80% in 1980. According to Tulane University demographer Leon Bouvier, minorities will outnumber non-Hispanic whites nationally by year 2060, if present trends continue. Non-Hispanic blacks will be outnumbered by Hispanics within the next 20 years.

SUMMARY OF RESIDENT POPULATION DISTRIBUTION FOR THE U.S.
BY RACE AND HISPANIC ORIGIN: 1980, 1990

	1990 Census		1980 Census		
	Number	%	Number	%	% Change
Total population	248,709,873	100.0	226,545,805	100.0	9.8%
White	199,686,070	80.3*	188,371,622	83.1*	6.0
Black	29,986,060	12.1	26,495,025	11.7	13.2
American Indian, Eskimo, or Aleut	1,959,234	0.8	1,420,400	0.6	37.9
Asian or Pacific Islander	7,273,662	2.9	3,500,439**	1.5	107.8**
Other race	9,804,847	3.9	5,758,319	3.0	45.1
Hispanic origin*	22,354,059	9.0	14,608,673	6.4	70.3

* Non-Hispanic whites accounted for 76% of the population in 1990 vs. about 80% in 1980. As noted Hispanics may be of any race.

** This total is not exactly comparable with 1990 counts as the 1980 census covered only nine specific Asian or Pacific Islander groups. The adjusted count for 1980 covering all islands is estimated at 3,726,440. (Census findings on race and Hispanic origin are based on self-identification questions which may affect comparability between censuses.)

Source: U.S.Bureau of the Census, Release CB91-215

In evaluating the 1990 census results, the Secretary of Commerce noted apparent minority undercounts of 4.8% for blacks, 5.2% for Hispanics (of any race), 3.1% for Asian-Pacific Islanders, 5.0% for American Indians.

Regardless of undercounts, there has been an extraordinary change in the racial and ethnic makeup of the country in the past decade, as immigrants arrived in record numbers and birth rates among some minority groups rose. While in the past minorities tended to be almost entirely concentrated in certain areas, there is now a greater geographical dispersion, and the population profile of cities, suburbs and towns away from the traditional ports-of-entry, involving an increasing share of minority groups, are continuing to change rapidly.

Race and Hispanic Origin (continued)

Not only must planners be in tune with the changing racial mix of the population, but also be aware of the differences in age composition and significant differences among white and non-white groups in cultures, in product needs, and preferences in areas with diversified racial groups,

Note: Additional information on the population by race is covered in the Sections on Age Composition and REGIONAL/STATE GROWTH CHARACTERISTICS.

THE COMPOSITION OF MAJOR MINORITY GROUPS: 1980, 1990

	1990 Census		1980 Census		
	Number	%	Number	%	% Change
U.S. total	248,709,873	100.0%	226,545,805	100.0%	9.8%
Hispanic origin	22,354,059	9.0	14,608,673	6.4	53.0
Mexican	13,495,938	5.4	8,740,439	3.9	54.4
Puerto Rican	2,727,754	1.1	2,013,945	0.9	35.4
Cuban	1,043,932	0.4	803,226	0.4	30.0
Other Hispanic	5,086,435	2.0	3,051,063	1.3	66.7
Asian or Pacific Islanders	7,273,662	2.9	3,500,439**	1.5	107.8
Chinese	1,645,472	0.7	806,040	0.4	104.1
Filipino	1,406,770	0.6	774,652	0.3	81.6
Japanese	847,562	0.3	700,974	0.3	20.9
Asian Indian	815,447	0.3	361,531	0.2	125.6
Korean	798,849	0.3	354,593	0.2	125.3
Vietnamese	614,547	0.2	261,729	0.1	134.8
Other	1,145,015	0.5	240,920**	0.1	--

** See footnote on previous table.

Source: U.S. Bureau of the Census, Release CB91-215

The racial composition of the U.S. will continue to change not only due to immigration. Overall, new immigrants are relatively young adults, and birth rates among major minority groups average considerably higher than among whites. Changes to become effective soon in immigration quotas will increase the proportion accounted for by Europeans, particularly Irish. The immigration total will be expanded from 500,000 to 700,000 (plus uncounted illegals).

Census Bureau data on the components of population change by race and Hispanic origin show that in the five-year period 1985-1989, natural increase (excess of births over deaths) accounted for 72%, immigration 28%. Births among non-whites were at a much higher rate than for whites, particularly among Hispanics where the rate per thousand averaged 23.1 births vs. 14.7 among whites. Minorities accounted for 90% of the total increase in the number of children between 1980 and 1990.

POPULATION PROFILE: U.S. TOTAL

Race and Hispanic Origin (continued)

PROFILE OF THE COMPONENTS OF POPULATION CHANGE: 1985-1989
(Number in thousands)

	Total		Natural Increase				Immigration	
	Net Change			% of Net	Births			% of Net
Race/Origin	Number	%	Number*	Change	Number	Rate**	Number	Change
Total	11,915	100%	8,575	72%	19,214	15.7	3,339	28%
Race:								
White	7,759	100	5,891	76	15,142	14.7	1,866	24
Black	2,245	100	1,938	96	3,202	21.4	307	14
Other races	1,911	100	746	39	870	22.1	1,166	61
Hispanic origin***	3,286	100	1,794	55	2,216	23.1	1,491	45

* Excess of births over deaths.
** Rate per thousand mid-year population
***May be of any race.

Source: Based on U.S. Bureau of the Census estimates in Current Population Reports (Series P-25, No. 1057)

LEGAL ALIEN IMMIGRANTS AND REFUGEES, BY REGION OF BIRTH: 1984-1988
(Number in thousands)

Year (July 1-June 30)	All regions		Percent by Region of Birth					
	Number	%	Africa	Asia	Europe	Latin America	North America	Other
1987-88	586	100.0	3.3	45.6	11.0	36.6	2.2	1.3
1986-87	555	100.0	3.1	45.4	10.3	38.0	2.0	1.2
1985-86	573	100.0	3.0	47.2	10.5	36.0	2.0	1.3
1970-71	397	100.0	1.7	26.1	24.1	43.8	3.4	0.9

Source: U.S. Bureau of the Census, Current Population Reports (Series P-25, No. 1045)

Projections compiled by the Urban Institute anticipate that by 2000 there will be over 30 million foreign-born of all ages in the U.S. population compared with about 22 million now, 15 million in 1980. As noted, legal immigration is being increased, and illegals will keep pouring in. The non-white population and Hispanics will reach an estimated 78.3 million by 2000, compared with 61.7 million in 1990 (including those born in the U.S.).

POPULATION PROFILE: U.S. TOTAL

Race and Hispanic Origin (continued)

PROJECTED SIZE OF THE POPULATION BY RACE: 1990-2040
(Numbers in millions)

Year	American Indian	Asian	Black	Hispanic (Any Race)	White Non-Hispanic	Total
1990	2.0	7.3	30.0	22.4	187.1	248.8
2000	2.1	11.7	34.1	30.4	196.4	274.7
2010	2.1	16.4	38.4	38.9	203.3	299.1
2020	2.2	21.5	41.8	47.7	209.3	322.5
2030	2.2	26.8	44.6	56.6	211.9	342.1
2040	2.2	32.1	46.7	65.3	210.5	356.8

Source: The Urban Institute (1991)

Based on moderate growth assumptions, the Department of Labor has reported the following estimates on growth in the civilian noninstitutional population age 16 years and over to year 2005.

CIVILIAN NONINSTITUTIONAL POPULATION BY SEX, AGE, RACE, AND HISPANIC ORIGIN
1975 AND 1990, AND MODERATE GROWTH PROJECTION TO 2005
(Numbers in millions)

	Level			Change		Annual Growth Rate		% of Total Population Age 16 & Over		
All races	1975	1990	2005	1975-1990	1990-2005	1975-1990	1990-2005	1975	1990	2005
Men,										
16 years & over	72.3	89.6	105.2	17.4	15.5	1.4	1.1	47.2	47.7	48.2
16 to 24	17.1	15.6	17.2	-1.5	1.6	-0.6	0.7	11.2	8.3	7.9
25 to 54	37.1	51.6	59.3	14.6	7.6	2.2	0.9	24.2	27.5	27.1
55 and over	18.1	22.4	28.7	4.3	6.3	1.4	1.7	11.8	11.9	13.1
Women,										
16 years & over	80.9	98.4	113.2	17.5	14.8	1.3	0.9	52.8	52.3	51.8
16 to 24	17.9	16.0	17.4	-1.9	1.4	-0.8	0.6	11.7	8.5	8.0
25 to 54	39.7	53.9	60.5	14.2	6.7	2.1	0.8	25.9	28.6	27.7
55 and over	23.2	28.5	35.3	6.8	5.3	1.4	1.4	16.2	15.2	16.2
White,										
16 years & over	134.8	160.4	180.5	26.6	20.1	1.2	0.8	88.0	85.3	82.6
Black,										
16 years & over	15.8	21.3	27.1	5.5	5.8	2.0	1.6	10.3	11.3	12.4
Asian & other*	2.6	6.3	10.8	3.7	4.5	6.0	3.6	1.7	3.4	5.0
Hispanic origin (any race)	na	14.3	24.0	--	9.7	--	3.5	--	7.6	11.0

* This group includes Asians and Pacific islanders, American Indians and Alaskan natives.

na not available.

Source: U.S. Department of Labor: Monthly Labor Review (November 1991)

POPULATION PROFILE: U.S. TOTAL

Birth Trends

Births in the U.S. increased each year in the 1980s, rising from 3,612 thousand in 1980 to 4,179 thousand in 1990--leading to much speculation that a new baby boom was underway. But current data does not support this view. Births in 1991 are estimated at about 4,115 thousand.

The increase in the 1980s was expected. Postponement in childbearing had prompted many demographers to project childlessness levels up to 25% for women born during the 1946-1964 baby boom. But recent estimates of lifetime childlessness for the first decade of boomers age 35 to 44 years in 1990 are now running about 17%, according to the Census Bureau.

Estimates of population growth by age groups for years 1988 to 2080 (in a series of three growth assumptions) made by the Census Bureau in 1989 (Current Population Reports, Series P-25, No. 1018), which have been noted in earlier issues of CONSUMER MARKET DEVELOPMENTS Fact Files, the projected birth totals in the middle series at the 3.7 million level from 1985 to 1990, with a decline to 3.5 million by 1995.

An analysis of the childbearing patterns of American women by the Census Bureau finds the primary reason for the recent birth increases has been a surge in births among women over age 30--past peak reproductive years, and higher birth rates among teenagers. The shift in the pattern of childbearing coincided with the great increase in the number of older women.

The birth increase was not the result of rising fertility among younger women, nor the decision to have large families. Completed fertility levels for women born in the 1950s are expected to average about 2 children each, compared with the average of over 3 for baby boom mothers born in the 1950s. American Fertility, Current Population Reports, Special Studies Series P-23, No. 176).

Another factor in the larger-than-expected gains in births lies in the boom in immigrants entering the U.S. The fertility of foreign-born women 19 years old in 1988 was 96 births per 1,000 women, compared with 67 per 1,000 among native-born women. Births among immigrants currently represent 10% of the U.S. total.

Census Bureau analysts point out that changes in the timing of childbearing have an impact on social service delivery systems, as well as increasing the potential number of years in the labor force before first birth and the likelihood that a woman will work during her first pregnancy. This in turn increases the likelihood of a rapid return to work after childbirth, and the potential demand for more child-care facilities.

If current fertility patterns persist, along with shifts in the age distribution of the adult population, there will be no baby boom, but rather a downturn in births. A population cohort responsible for much of the jump in births in the 1990s--women age 30 to 39--grew 32% in the 1980s, from 16 million to over 21 million. From 1990 to 2000 their number will decline an estimated 3.5% to 20.6 million, according to Census Bureau projections. While the teenage population is expected to increase in the 1990s, changing attitudes due to the AIDS epidemic may lower birth rates among this group.

Birth Trends (continued)

Economic conditions and employment opportunities also affect the birth totals, as seen in reports for 1991. In the first 10 months of 1991, the birth total dropped 1.5% below the same 1990 period; the birth rate declined from 16.8% to 16.3%.

Age Composition

Users of previous editions of CONSUMER MARKET DEVELOPMENTS and THE IMPACT OF A MATURING MARKET Fact Files have noted estimates for future population counts by age total, the middle of three series of projections by the Census Bureau for July 1988 to July 2080 (Current Population Reports, Series P-25, No. 1018, compiled in 1989). It may be helpful to compare the projections for 1990 with the accepted 1990 census of population counts, as noted below. It should be noted that the 1990 counts cover the resident U.S. population while the projections included resident population and Armed Forces Overseas.

COMPARISON OF POPULATION DISTRIBUTION BY AGE
AS REPORTED IN 1990 CENSUS AND IN EARLIER PROJECTIONS
(Number in thousands)

	Resident Population April 1990 Census		Total Population Projection: 1990 (Middle Series)	
	Number	%	Number	%
Total reported	248,710	100.0	250,410	100.0
Age groups: (years)				
Under 18	63,604	25.6	64,038	25.6
Under 5	18,354	7.4	18,408	7.4
5 to 17	45,250	18.2	45,630	18.2
18 to 24	26,938	10.7	26,140	10.4
25 to 44	80,753	32.4	81,822	32.7
45 to 64	46,371	18.6	46,851	18.7
65 to 74	18,107	7.3	18,373	7.3
75 and over	13,135	5.2	13,187	5.3

Source: U.S. Bureau of the Census: 1990 Census of Population (THE CENSUS AND YOU, July 1991); Current Population Reports, Series P-25, No. 1018E)

Major factors shaping the composition of the population by age for years to come are first, the baby boomers (born from 1946 to 1964), and second, the baby-bust group (born between 1965 and 1979). The former group is beginning to reach age 45. In the 1980s, the biggest increase in population was in the 35-44 age group; in the next 10 years, growth will be centered in the 45-64 age group.

The impact of low birth totals is now noted in falling high school and college age populations, and will soon be noted in the decline in the number of young adults in the labor force. The "echo boom" in births in 1989-1991, will have an impact on the children's market and school enrollment for some time, though, as noted, the boom is expected to be short lived.

POPULATION PROFILE: U.S. TOTAL

Age Composition (continued)

Projections on total population size made by the Census Bureau in 1989 will be affected to some extent by the larger than expected number of births, particularly in 1989-1991, to the increase in immigration due to recent laws, and to imposed documentation on illegal immigrants.

PROJECTED GROWTH OF THE POPULATION BY AGE GROUP, 1990-2000 VS. 1980-1990
(Middle Series. Includes Armed Forced Overseas)

	Projected Change		% of Population		
	2000/90	1990/80	1980	1990	2000
Population total	7.1%	9.5%	100.0%	100.0%	100.0%
Age groups:					
Under 18	2.6	0.5	28.0	25.6	24.5
Under 5	- 8.2	11.8	7.2	7.4	6.3
5 to 17	6.9	-3.4	20.7	18.2	18.2
18 to 24	- 3.4	-13.9	13.3	10.4	9.4
25 to 34	-15.4	16.7	16.5	17.5	13.8
35 to 44	15.9	46.5	11.4	15.1	16.4
45 to 64	31.0	5.2	19.5	18.7	22.9
65 and over	10.5	22.8	11.3	12.6	13.0

Source: Based on U.S. Census Bureau: Projections of the Population of the U.S. 1988-2080 (P-25, No. 1018-25, No. 10)

Available 1990 census counts show the resident population pattern by race in each age group. Currently the share of population accounted for by minorities is greatest among children and young adults.

COMPOSITION OF THE POPULATION IN EACH AGE GROUP BY
RACE/HISPANIC ORIGIN: 1990 CENSUS

Age (years)	Total	White	Black	Asian/Pacific Islander	Other Races	Hispanic*
Under 9	100.0	74.8	15.0%	3.3%	7.0%	12.6%
10 to 19	100.0	75.1	15.1	3.3	6.5	11.6
20 to 29	100.0	77.3	13.1	3.3	6.3	11.5
30 to 39	100.0	79.9	12.0	3.3	4.8	8.9
40 to 49	100.0	82.9	10.4	3.1	3.6	7.1
50 to 59	100.0	84.4	10.1	2.6	2.9	6.4
60 to 69	100.0	87.4	8.8	1.9	2.0	4.8
70 to 79	100.0	89.3	7.9	1.4	1.3	3.5
80 & over	100.0	90.4	7.5	1.0	1.1	3.2
Total all ages	100.0	80.3	12.1	2.9	4.7	9.0

* May be of any race.

Source: U.S. Bureau of the Census

Each March the U.S. Census Bureau conducts surveys among a representative sample of the noninstitutional population to measure demographic, social and economic characteristics of persons, families and households. Estimates based on the survey are released in advance reports by the Bureau, followed by detailed annual summaries (Current Population Reports) the most recent of which covers the March 1990 survey.

POPULATION PROFILE: U.S. TOTAL

Age Composition (continued)

These estimates are not totally consistent with 1990 census data due to many factors, including differences in population universes, methodologies, and in the classification of persons by race. However, the March 1990 report provides information on population characteristics not yet released through the census, or not included in census coverage.

Age/Sex Distribution

Males outnumber females in younger age groups in both the white and black populations, but the reverse is true after age 19. Significant differences will be noted in the composition of the population by race and by age. A greater share of the black population, and of Hispanics, than of whites are under 25 years of age, All groups, however, are aging, as noted in a comparison of median ages for 1990 vs. 1980.

Since the early 1970s, the U.S. population has undergone major shifts in age distribution, particularly among minorities which are concentrated at younger age levels than whites. Immigrants tend to be young adults, and immigrant families average more children per household. As noted in previous pages, the minority populations are the fastest growing and it is apparent that youth markets in these groups will strongly reflect the continuing transition of the nation to a multicultural society.

ESTIMATED DISTRIBUTION BY AGE OF THE MALE AND FEMALE POPULATIONS
BY RACE: MARCH 1990
(Numbers in thousands)

	Total, Both Sexes		MALE			FEMALE		
	All Races*	Hispanic Origin**	Total*	White	Black	Total*	White	Black
U. S. total	246,191	20,779	119,811	101,253	14,255	126,380	105,729	16,138
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Age groups (years)								
Under 5	7.7	10.9	8.1	7.7	10.4	7.3	7.0	9.0
5 to 9	7.4	9.6	7.8	7.4	10.1	7.1	6.8	8.6
10 to 14	7.0	9.3	7.3	6.9	9.7	6.6	6.3	8.3
15 to 19	7.0	8.6	7.3	7.0	9.4	6.8	6.5	8.4
20 to 24	7.3	9.4	7.4	7.2	8.0	7.3	7.1	8.3
25 to 29	8.6	10.4	8.8	8.8	8.7	8.5	8.3	9.1
30 to 34	9.0	9.5	9.1	9.2	8.8	8.8	8.7	9.1
35 to 44	15.1	13.3	15.3	15.6	12.9	14.9	15.0	13.8
45 to 54	10.3	8.2	10.3	10.5	8.4	10.3	10.4	9.1
55 to 64	8.6	5.8	8.3	8.7	6.6	8.9	9.2	7.2
65 to 74	7.3	3.5	5.7	7.1	4.4	7.9	8.4	5.5
75 and over	4.7	1.5	3.6	3.8	2.6	5.7	6.2	3.7
Median age (years)								
1990	32.8	26.0	31.8	32.7	26.4	33.7	34.6	29.1
1980	30.1	23.3	29.0	29.8	23.6	31.3	32.2	26.2

* Includes races not separately listed, based on the estimated non-institutional population.

**Persons of Hispanic origin may be of any race.

Source: U.S. Bureau of the Census, Current Population Reports (P 20, No. 448)

POPULATION: REGIONAL GROWTH CHARACTERISTICS

While the resident population of the U.S. increased 9.8% in the 1980-90 decade, there was a wide range of growth rates on a regional basis. The highest rate (22.3%) among the four census regions was registered by the West though it was down slightly from 1970s growth (23.9%). The South had the second highest growth (13.4%), which represented a drop from 30% in the 1970s. The growth rate, as noted below, rose slightly in the Northeast and fell in the Midwest. Both of these regions register rates far below the national average.

The South and West together accounted for 89% of national population growth in the 1980s, sparked by the migration of people from other regions. Within the two regions, three states--California (up 6.1 million), Florida (up 3.2 million), and Texas (up 2.8 million)--accounted for 12.0 million, or 54%, of the 22.2 million national population increase. California, alone, accounted for 27% of population growth and accounted for 12% of the total resident population in 1990, with the state's 29.8 million total population.
The second ranking state, New York, had a 1990 population of about 18 million, 7.2% of the U.S. total. While New York's population grew in the 1980s, the 1990 count was below 1970 by 1.4%, or 251 thousand).

REGIONAL/DIVISIONAL POPULATION GROWTH TRENDS: 1970-1990 Censuses

	Percent of U.S. Population			% Change in Population		
	1990	1980	1970	1990/80	1980/70	1970/60
U.S.total (millions)	(248.7)	(226.5)	(203.3)	9.8	11.4	13.4
Percent	100.0	100.0	100.0	--	--	--
Northeast	20.4	21.7	24.1	3.4	0.2	9.8
New England	5.3	5.4	5.8	7.0	4.2	12.7
Middle Atlantic	15.1	16.2	18.3	2.2	-1.1	8.9
Midwest	24.0	26.0	27.8	1.4	4.0	9.6
East North Central	16.9	18.4	19.8	0.8	3.5	11.1
West North Central	7.1	7.6	8.0	2.8	5.2	6.1
South	34.4	33.3	30.9	13.4	20.0	14.3
South Atlantic	17.5	16.3	15.1	17.9	20.5	18.1
East South Central	6.1	6.5	6.3	3.5	14.5	6.3
West South Central	10.7	10.5	9.5	12.4	22.9	14.0
West	21.2	19.1	17.1	22.3	23.9	24.2
Mountain	5.5	5.0	4.1	20.1	37.2	20.9
Pacific	39.1	14.0	13.1	23.0	19.8	25.2

Source: U.S. Bureau of the Census: Censuses of Population

While population growth rates are highest in the West, particularly in the Pacific Division's California (up 25.7% over 1980) and Alaska (up 36.9%), the South remains the most-populous region, accounting for over one out of three residents, concentrated in the South Atlantic States and Texas.

In addition to its above-average growth, the West registered some notable, differences in composition by sex and age. The 1990 census showed the region to have the highest share of its population accounted for by males, and by children and young adults. The middle age and elderly represent a smaller share of the West's population than noted in the other three regions. The median age was 31.8 years compared with a high of 34.2 years in the Northeast, a national average 32.9 years.

POPULATION: REGIONAL GROWTH CHARACTERISTICS

However, in its share of the total population counted in specific age groups, the South maintained a consistent hold of well over a third, in line with its total share, except for the age group 85 and older (a 32.2% share). The Midwest, which ranks second among the four U.S. regions in population size, consistently accounts for the second largest share of residents in each age group. In share of the elderly population, the Midwest and Northeast are above the U.S. average, while the West is considerably lower.

DISTRIBUTION OF THE POPULATION OF EACH REGION BY SEX AND BY AGE: 1990 Census
(Numbers in thousands)

	United States		Northeast		Midwest		South		West	
	No.	%	No.	%	No.	%	No.	%	No.	%
Population total	248,710	100.0	50,809	100.0	59,669	100.0	85,446	100.0	52,786	100.0
Sex: Male	121,239	48.7	24,436	48.1	28,972	48.5	41,491	48.6	26,341	49.9
Female	127,470	51.3	26,374	51.9	30,697	51.5	43,955	51.4	26,445	50.1
Age:(yrs)										
Under 18	63,604	25.6	11,913	23.4	15,615	26.2	22,008	25.8	14,068	26.7
Under 5	18,354	7.4	3,505	6.9	4,406	7.4	6,233	7.3	4,212	8.0
5 to 17	45,250	18.2	8,408	16.5	11,210	18.8	15,775	18.5	9,856	18.7
18 to 24	26,938	10.7	5,439	10.7	6,261	10.5	9,284	10.8	5,754	10.9
18 to 20	11,727	4.7	2,357	4.6	2,803	4.7	4,128	4.8	2,439	4.6
21 to 24	15,011	6.0	3,082	6.1	3,458	5.8	5,156	6.0	3,315	6.3
25 to 44	80,755	32.6	16,487	32.5	18,882	31.6	27,437	32.1	17,948	34.0
45 to 64	46,371	18.6	9,975	19.7	21,162	18.7	15,992	18.8	9,242	17.5
45 to 54	25,223	10.1	5,318	10.5	6,009	10.1	9,699	10.2	5,198	9.8
55 to 59	10,532	4.2	2,284	4.5	12,556	21.0	3,648	4.3	2,043	3.9
60 to 64	10,616	4.3	2,373	4.7	2,597	4.3	3,645	4.3	2,001	3.8
65 to 74	18,107	7.3	4,030	7.9	4,386	7.4	6,263	7.3	3,426	6.5
75 to 84	10,055	4.0	2,255	4.4	2,523	4.2	3,469	4.0	1,808	3.4
85 and over	3,080	1.2	710	1.4	840	1.4	992	1.2	538	1.0
Median age (years)		32.9		34.2		33.0		32.8		31.8

PERCENTAGE OF THE POPULATION BY AGE ACCOUNTED FOR BY EACH REGION: 1990

	United States	Northeast	Midwest	South	West
Population total	100.0%	20.4%	24.0%	34.4%	21.2%
Age: (years)					
Under 5	100.0	19.1	24.0	34.0	22.9
5 to 17	100.0	18.6	24.8	34.9	21.8
18 to 20	100.0	20.1	23.9	35.2	20.8
21 to 24	100.0	20.5	23.0	34.3	22.1
25 to 44	100.0	20.4	23.4	34.0	22.2
45 to 54	100.0	21.1	23.8	34.5	20.6
55 to 59	100.0	21.7	24.3	34.6	19.4
60 to 64	100.0	22.4	24.5	34.3	18.8
65 to 74	100.0	22.3	24.2	34.6	16.5
75 to 84	100.0	22.4	25.1	34.5	18.0
85 and over	100.0	23.0	27.3	32.2	17.5

Source: U.S. Bureau of the Census: 1990 Census of Population

POPULATON: REGIONAL GROWTH CHARACTERISTICS

Race and Hispanic Origin

As noted on page 6 of this fact file the high level of immigration and relatively high birth totals have boosted the U.S. population of certain racial groups; and it is very apparent in the regional concentrations of minorities that the market profiles of many areas in the U.S. are changing greatly. The patterns by race and growth rates show wide diversity. The distribution of the dominant white population in 1990 was similar to that of the total population; however, the distribution of other racial groups regionally showed very different patterns, and is particularly diversified in the West.

In 1990, the West had the largest share among the four census regions of the Hispanic-origin population (45%), of Asian or Pacific Islanders (56%), and of course Eskimos and Aleuts (because of the inclusion of Alaska in the West definition) as well as of American Indians. But only 9.4% of blacks live in the West; over half (53%) were counted in the South in 1990, a level which has held for over 20 years, but which compares with 90% living in the South when the 1900 census was compiled.

REGIONAL DISTRIBUTION OF THE U.S. POPULATION BY MAJOR RACIAL GROUPS AND HISPANIC ORIGIN, 1990

	U.S. Total		% of Total By Regions			
	Number (000)	%	Northeast	Midwest	South	West
All persons	248,710	100.0	20.4	24.0	34.4	21.2
White	199,686	100.0	21.4	26.0	32.8	20.0
Black	29,986	100.0	18.7	19.1	52.8	9.4
Major racial groups						
American Indian, Eskimo Aleut	1,959	100.0	6.4	17.2	28.7	47.6
Asian and Pacific Islander	7,274	100.0	18.4	15.4	15.4	55.7
Asian	6,909	100.0	19.2	10.9	15.8	54.1
Selected races:						
Chinese	1,645	100.0	27.0	8.1	12.4	52.4
Filipino	1,407	100.0	10.2	8.1	11.3	70.5
Japanese	848	100.0	8.8	7.5	7.9	75.9
Asian Indian	815	100.0	35.0	17.9	24.0	23.1
Korean	799	100.0	22.8	13.7	19.2	44.4
Vietnamese	614	100.0	9.8	8.5	27.4	54.3
Pacific Islander	365	100.0	2.9	3.5	7.7	86.0
Other race	9,805	100.0	17.0	8.5	24.0	50.6
HISPANIC ORIGIN						
Hispanics (of any race)	22,354	100.0	16.8	7.7	30.3	45.2
Mexican	13,496	100.0	1.3	8.5	32.2	58.0
Puerto Rican	2,728	100.0	68.6	9.4	14.9	7.0
Cuban	1,044	100.0	17.6	3.5	70.5	8.5
Other Hispanic	5,086	100.0	39.9	5.5	25.2	39.4
Not of Hispanic origin	226,356	100.0	20.8	25.6	34.8	18.9

(continued)

POPULATON: REGIONAL GROWTH CHARACTERISTICS

Race and Hispanic Origin (continued)

REGIONAL DISTRIBUTION OF THE U.S. POPULATION BY MAJOR RACIAL GROUPS AND HISPANIC ORIGIN, 1990
(continued)

	U.S. Total	% of Total By Regions			
		Northeast	Midwest	South	West
Number (thousands)	248,710	50,809	59,669	85,446	52,786
Percent	100.0	100.0	100.0	100.0	100.0
White	80.3	82.8	87.2	76.8	75.8
Black	12.1	11.0	9.6	18.5	5.4
Major racial groups					
American Indian, Eskimo Aleut	0.8	0.2	0.6	0.7	1.8
Asian or Pacific Islander	2.9	2.6	1.3	1.3	7.7
Asian	2.9	2.6	1.3	1.3	7.1
Pacific Islander	0.1	--	--	--	0.6
Other race	3.8	3.3	1.4	2.8	9.4
HISPANIC ORIGIN					
Hispanics (any race)	9.0	7.4	2.9	7.9	19.1
Mexican	5.4	0.3	1.9	5.1	14.8
Puerto Rican	1.1	3.7	0.4	0.5	0.4
Cuban	0.4	0.4	0.1	0.9	0.2
Other Hispanic	2.0	3.0	0.5	1.5	3.8
Not of Hispanic origin	91.0	92.6	97.1	92.1	80.9

Source: U.S. Bureau of the Census: 1990 Census of Population

The ten states with the largest populations in specified categories, and the increase in 1990 compared with 1980 are noted below, as reported in the 1990 census.

THE 10 STATES WITH THE LARGEST BLACK POPULATION: 1990 CENSUS

	Number (thousands)	% Change 1990/1980	% of State's Population
1. New York	2,859	19.0%	15.9%
2. California	2,209	21.4	7.4
3. Texas	2.022	18.2	11.9
4. Florida	1,760	31.0	13.6
5. Georgia	1,747	19.2	27.0
6. Illinois	1,694	1.1	14.8
7. North Carolina	1,456	10.4	22.0
8. Louisiana	1,299	4.9	30.8
9. Michigan	1,292	7.7	13.9
10. Maryland	1,190	24.2	24.8

The above states accounted for 58% of the total black population. The 10 states with the highest percentage of black population are in the South.

Race and Hispanic Origin (continued)

THE 10 STATES WITH THE HIGHEST PERCENTAGE BLACK POPULATION: 1990 CENSUS

Mississippi	35.6%	Maryland	24.9%
Louisiana	30.8	North Carolina	22.0
South Carolina	29.8	Virginia	18.8
Georgia	27.0	Delaware	16.9
Alabama	25.3	Tennessee	16.0

THE 10 STATES WITH THE LARGEST HISPANIC POPULATION: 1990 CENSUS

	Number (thousands)	% Change 1990/1980	% of State's Population
1. California	7,688	69.2	25.8
2. Texas	4,340	45.4	25.5
3. New York	2,214	33.4	12.3
4. Florida	1,574	83.4	12.2
5. Illinois	904	42.3	7.9
6. New Jersey	740	50.4	9.6
7. Arizona	688	11.0	0.8
8. New Mexico	579	21.4	38.2
9. Colorado	424	24.9	12.9
10. Massachusetts	288	103.9	4.8

California has registered explosive growth in its Mexican (Hispanic origin) population, 1980-1990, with a 69% gain compared with the U.S. total rate of 53%. The combined total in California and Texas accounted for over 12 million Hispanics, or 54% of the nation's total count. The ten states with the largest number of Hispanic-origin residents held an 87% share of the nation's total.

THE 10 STATES WITH THE LARGEST ASIAN OR PACIFIC ISLANDER POPULATION: 1990

	Number (thousands)	% Change 1990/1980	% of State's Population
1. California	2,846	127.0	9.6
2. New York	694	123.4	3.9
3. Hawaii	685	17.5	61.8
4. Texas	319	165.5	1.9
5. Illinois	285	78.7	2.5
6. New Jersey	273	162.4	3.5
7. Washington	211	105.7	4.3
8. Virginia	159	140.2	2.6
9. Florida	154	171.9	1.2
10. Massachusetts	143	189.7	2.4

For the U.S. as a whole, the growth rate in the Asian/Pacific Islander (API) population grew 108% in the 1980-90 decade. It was lowest in Hawaii (17.5%) where these residents are a majority, and highest in California (127.5%). The ten states with the largest API had 79% of this population, but the majority, (58% of the U.S. total 7.3 million) lived in three states: California, New York, Hawaii. As noted above, very strong growth rates have been registered in states with smaller API populations in 1990.

POPULATION: METROPOLITAN AREAS, CITIES

There are 284 metropolitan areas in the U.S. areas which meet an official, standard definition which comprises a sizable city with its suburbs, and a total population of at least 100,000. Except in New England, metropolitan areas consist of entire counties, have one or more central cities with suburbs, and generally some rural population.

As of April 1, 1990, the census counted 192.7 million residents in metropolitan areas, representing 77.5% of the nation's total, and registering a gain of 20 million, or 11.6%, compared with 1980. Non-metropolitan area population totaling 56 million increased only 2.1 million for a gain of 3.9%.

Some of the largest metropolitan areas consist of more than one primary metropolitan statistical area (PMSA), and are designated as consolidated metropolitan statistical areas (CMSA's). These are considered as a single metropolitan area in Census Bureau rankings by population size. (Some revisions in metropolitan definitions based on the census will be released by the Office of Management and Budget in 1992).

DISTRIBUTION OF METROPOLITAN AREAS BY POPULATION COUNTS: 1990 CENSUS
(Population in millions)

	Number of Areas	% of Total	Population	
			Number	%
U.S. Total residents	--	--	248.7	100.0
Metropolitan area population	284	100.0	192.7	77.5
Over 5 million	6	2.1	52.8	27.4
2.5 to 5 million	9	3.1	31.7	16.5
1.0 to 2.5 million	25	8.8	40.2	20.9
0.5 to 1.0 million	34	12.0	24.9	12.9
Under 500,000:				
250,000 to 500,000	61	21.4	21.5	11.2
100,000 to 250,000	125	44.0	19.4	1.1
Under 100,000	25	8.8	2.1	1.1

Source: U.S. Bureau of the Census:
1990 Census of Population and Housing

Suburbs since the 1940s have been accounting for more population growth than central cities and will soon account for more than half the U.S. population. Of metropolitan areas with over 1 million population, the main central city grew more rapidly than the area as a whole in only four (New York, Portland, Columbus, Charlotte). A notable development has been the shift not only in population but in jobs out of central cities into surrounding areas, which in many cases now have more office space than found in their central cities.

New urbanized areas with concentrations of 50,000 or more, are developing, particularly in the South and West. Many suburban areas are no longer country retreats.

HOUSEHOLDS/FAMILIES

Available in early 1990 Census of Population releases by the Census Bureau are summary figures on households and their population. The reported total, as April 1990, counted 91.9 million households. (This compares with the estimated 93.3 million reported by the Census Bureau based on the March 1990 sample survey).

There are two classifications of households: family (70% of the 1990 census total, includes a household head and one or more persons related by birth, adoption or marriage) and nonfamily (30%). The Census Bureau distinguishes three basic types of family households: married couples, representing 55.1% of households (generally representing a favored target market, particularly the two-income families); male householder, no wife present; female householder, no husband present. (A householder is defined as the person, or one of the persons, in whose name the housing unit is owned, rented or maintained). Nonfamily households include persons living alone or in groups with no members related to the householder.

HOUSEHOLDS BY TYPE: 1970, 1980, 1990

	1990 Number	% of Total		
		1990	1980	1970
Total households	91,947,410	100.0	100.0	100.0
Family households	64,517,947	70.2	73.7	81.2
Married-couple families	50,708,322	55.1	60.8	70.5
Other family, male householder	3,143,582	3.4	2.1	1.9
Other family, female householder	10,666,043	11.6	10.8	8.7
Nonfamily households	27,429,463	29.8	26.3	18.8
Male householder	11,684,951(e)	12.7	10.9	6.4
Female householder	15,734,512(e)	17.1	15.4	12.4
Living alone	22,580,420	24.6	22.7	17.1
Householder age 65 years and over	8,824,845	9.6	na	na

(e) estimated
na not available

Source: U.S.Bureau of the Census: 1990 Census of Population, Current Population Reports (Series P-20, No. 447)

HOUSEHOLDS/FAMILIES

A total of 242,012,129 persons were living in households in April 1990. (97% of the U.S resident population), for an average of 2.63 persons per household. Persons living in group quarters numbered 6,697,744, including 3,334,018 in institutions.

Census Bureau sample surveys provide estimates on trends not yet available in 1990 census reports. There has been a decline in the household growth rate, with an annual average of 1.3 million in the 1980s compared with 1.7 million in the 1970s. This is bad news for housing and for many consumer product marketers. The outlook is further clouded by the drop in the share of households accounted for by married-couple families--from 70.5% in 1970, 60.8% in 1980, to only 55.1% in 1990. These offer key target markets, as they include a high percentage of two-income households, and families with children.

In the same span of years, the share of households held by families with a female head--mainly single parent households with below-average incomes--increased from 8.7% to 11.7% in 1990. The gain for black households in this group was above average.

Nonfamily households, composed of varied combinations of nonrelated individuals living together, increased from 18.8% of the household total in 1970 to 29.2% in 1990. The number of unmarried couple households exploded from 523,000 in 1970 to an estimated 2.9 million in 1990. Many of the nonfamily households have more than one earner, helping to offset the decline in buying power represented by the drop in married couple households in some markets.

More people living alone, and fewer children, shows up in the drop in average household size: 1970, 3.14; 1980, 2.76; 1990, 2.63 persons. Members under 18 years dropped from an average 1.09 per household in 1990 to 0.69 in 1990. In 1990, 23 million persons lived alone--61% of them women. They represented 12% of the adult population, up from 7% in 1970.

It is not clear if the increase in persons and families "doubling up" noted in recent years--which may accelerate if a weak economy persists--will tend to reverse the long-term decline in household size. Another factor is the increase in births in recent years, but this is expected to be short-term.

Marketers of ethnic products will note a sharp difference in family/household composition analyzed by race or Hispanic origin as reported by the Census Bureau based on sample surveys.

ESTIMATED HOUSEHOLD COMPOSITION: MARCH 1970, 1980, 1990 SAMPLE SURVEYS

	1990	1980	1970
Number reported (thousands)	93,347	80,776	63,401
Characteristics:	100.0%	100.0%	100.0%
Family households	70.8	73.7	81.2
Married couple	56.0	60.8	70.5
Other family, male householder	3.1	2.1	1.9
Other family, female householder	11.7	10.8	8.7
Nonfamily households	29.2	26.3	18.8
Male householder	12.4	10.9	6.4
Female householder	16.8	15.4	
Living alone	24.6	22.7	17.1
Family Households by Race			
White			
Number reported (thousands)	56,590	52,243	46,166
Percent	100.0	100.0	100.0
Married-couple families	83.0	85.7	88.9
Male householder, no wife present	4.1	2.8	2.2
Female householder, no husband present	12.9	11.6	8.9
Black			
Number reported (thousands)	7,470	6,184	4,856
Percent	100.0	100.0	100.0
Married-couple families	50.2	55.5	68.3
Male householder, no wife present	6.0	4.1	3.7
Female householder, no husband present	43.8	40.3	28.0
Asian or Pacific Islander			
Number reported (thousands)	1,531	818	na
Percent	100.0	100.0	--
Married-couple families	82.0	84.5	--
Male householder, no wife present	5.6	4.8	--
Female householder, no husband present	12.3	10.8	--
Hispanic Origin (any race)			
Number reported (thousands)	4,840	3,029	2,004
Percent	100.0	100.0	100.0
Married-couple families	70.1	75.3	80.6
Male householder, no wife present	6.8	4.6	4.1
Female householder, no husband present	23.1	20.1	15.3

na not available

Source: U.S. Bureau of the Census: Current Population Reports
(Series P-20, No. 447)

HOUSEHOLDS/FAMILIES

FAMILY GROUPS WITH CHILDREN UNDER 18, BY RACE AND HISPANIC ORIGIN OF HOUSEHOLDER: March 1970, 1980, 1990 Sample Surveys

	1990	1980	1970	% Change 1990/80
Family groups with children under 18, total (number in thousands)	34,670	32,150	29,631	7.8
White (number in thousands)	28,294	27,294	26,115	3.7
Percent	100.0	100.0	100.0	--
Two-parent family groups	77.4	82.9	89.9	3.2
One-parent family groups	22.6	17.1	10.1	37.0
Maintained by mother	18.8	15.1	8.9	28.8
Maintained by father	3.8	2.0	1.2	99.1
Black (number in thousands)	5,087	4,074	3,219	24.9
Percent	100.0	100.0	100.0	--
Two-parent family groups	39.3	48.1	64.3	2.3
One-parent family groups	60.6	51.9	35.7	45.7
Maintained by mother	56.2	48.7	33.0	44.1
Maintained by father	4.3	3.2	2.6	71.3
Hispanic origin (any race) (number in thousands)	3,429	2,194	na	56.3
Percent	100.0	100.0	--	--
Two-parent family groups	66.8	74.1	--	40.8
One-parent family groups	33.2	25.9	--	100.7
Maintained by mother	29.3	24.0	--	90.7
Maintained by father	4.0	1.9	--	228.6

Note: family groups comprise family households, related subfamilies, and unrelated subfamilies. A family household can consist of one or more of these types.

Source: U.S. Bureau of the Census: Current Population Reports
(Series P-20, No.447)

MARITAL STATUS/MARRIAGES/LIVING ARRANGEMENTS

Adult Americans have been postponing marriage or not marrying at all in the past 20 years to a marked degree, and divorce ratios (the ratio of persons currently divorced to those currently married and living with their spouses) more than tripled, rising from 47 in 1970 to 142 in 1990. These changes are reflected in the data on household composition, and more explicitly in Census Bureau data on living arrangements.

PERCENT NEVER MARRIED BY SEX AND AGE: 1970, 1980, 1990

	Men			Women		
Age (years):	20-24	25-29	30-34	20-24	25-29	30-34
Never married:						
1990	79.3%	45.2%	27.0%	62.8%	31.1%	16.4%
1980	68.8	33.1	15.9	50.2	20.9	9.5
1970	54.7	19.1	9.4	35.8	10.5	6.2

Source: U.S. Bureau of the Census: Current Population Reports
(Series P-23, No. 173)

SELECTED CHARACTERISTICS OF THE POPULATION BY RACE: March 1990
(Number in thousands)

	All Races			White			Black		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Marital status									
Age 15 & over	191,793	91,955	99,838	163,417	78,908	84,508	21,914	9,948	11,966
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Never married	26.2	29.9	22.8	24.2	28.0	20.6	39.9	43.4	36.9
Married:									
Spouse present	55.5	57.9	53.3	58.3	60.4	56.4	34.8	38.8	31.4
Spouse absent	3.2	2.8	3.5	2.6	2.3	2.8	7.7	6.3	8.8
Widowed	7.2	2.5	11.5	7.2	2.4	11.6	7.9	3.4	11.6
Divorced	7.9	6.8	8.9	7.7	6.8	8.6	9.8	8.1	11.2

Source: U.S. Bureau of the Census: Current Population Reports
(Series P-20, No. 448)

MEDIAN AGE AT FIRST MARRIAGE: 1970, 1990

	1990	1970
Men	26.1 years	23.2 years
Women	23.9	20.8

Source: U.S. Bureau of the Census: Current Population Reports
(Series P-23, No. 173)

Marriages

The number of marriages in 1990 totaled 2,448,000, a 2% increase over 1989, according to the National Center for Health Statistics. The monthly pattern followed the norm, with the peak in June (11.2%), followed by August (10.8%), May (10.1%). Months with the fewest marriages were January, February and March.

In the first nine months of 1991, there was a decline of 3% in the number of marriages compared with the same 1990 period. The 12-month marriage rate for the period ending September 1991 was 9.4, 4% lower than a year ago, continuing a trend of declining rates throughout most of 1991. (Rates are per 1,000 population on an annual basis.)

The composition of the population by age groups, with a decline in the number of young adults, indicate a continuance of a low number of marriages in the next few years. Marriage rates in the last 25 years have twice gone through a period of increase followed by a period of decline. In the early 1970s, the rates rose, reaching 10.9 by 1972. The rate declined to 9.9 by 1977, then increased and reached a relative peak of 10.6 in 1980-1982. It has since been below 10.0.

HOUSING

Housing Sales/Home Buyers

After a pick-up in November 1991, sales of new homes declined in December, and the year ended with sales totaling 504,000, 5.6% below 1990. This was the third straight year of falling sales and the worst result since the recession year 1982 when 412,000 homes were sold. A slim rise of existing home sales was noted in December 1991, bringing the annual rate to 3.34 million.

With prospects for tax breaks for first-time home buyers, along with the cuts made in interest rates, the National Association of Home Builders sees a prospect of 575,000 new home sales in 1992. Although new-home sales are a small part of the housing market, they are considered a sensitive barometer of consumers' willingness to take on large financial commitments. Many new homes are bought by people moving up to larger, more expensive houses as their financial circumstances improve.

The median price of a new home in 1991 fell in 1991 for the first time in more than 20 years, reaching $120,000 compared with $122,900 in 1990. The National Association of Realtors reported that a family with a median income of $36,696 had 124.2% of the income needed to qualify for a mortgage on a median-priced house. However, prices began to creep up in December, making homes less affordable.

A Census Bureau analyst, Barbara Williams, found that in 1991 home buyers were being pushed into the low end of the market, homes that will need fixing up and probably will not have items like a dishwasher, second bathroom, central air-conditioning, or a fireplace.

The Census Bureau issued a summary report on the American Housing Survey (AHS) conducted in the fall 1989 which analyzed characteristics of homeowners moving into their homes in the past year, including first-time owners and others. The "new" first-time homeowners composed 3% of all homeowners, and 36% of all owners who had moved into their houses during the covered year. The survey results provide details on characteristics of those who are the backbone of homefurnishings markets and services. A complete report will be available in 1992 from the Housing and Household Economics Statistics Division of the Bureau.

Some likely trends in new home sales are indicated when survey results are analyzed along with trends in the economy and in the demographics of the population. The share of householders who own their own homes declined in the 1980s, particularly among the youngest family households. This group, which accounts for a high percentage of new first-time owners will represent a declining share of U.S. households in reflection of the baby-bust years. Changes in living arrangements and in economic well-being are negative implications for the housing market which cannot be offset by declines in mortgage rates.

Housing Sales/Home Buyers (continued)

In the survey period, 47% of first-time owners were under age 30 compared with 6% in this age category among repeaters. Those age 45 years and older represented 10% vs. 62%, respectively, of each group. Sixty-four percent of new first-time owners were married-couple families; only 14% were one-person households. For repeaters, the figures were 67% and 18%.

About half of first-time buyers had children living at home (and the recent rise in the number of births can be expected to have a positive effect on housing sales). Among other home buyers, just over one-third had children living at home. As expected, the median value of new first-time homeowners' units was lower than for the repeater group--$68,000 vs. $76,000. Seven in 10 of the former lived in single-family, detached homes compared with about 8 in 10 of all owners. Just over one in 10 first-time owners lived in a mobile home; another one in 10 lived in a unit in a multi-unit building; the remainder, in one-unit attached structures, such as rowhouses or townhouses. About one in 5 new first-time owners lived in homes built within the previous four years, compared with just over one in 3 of the other recent mover owners.

Most covered first-time owners had household incomes in the $20,000-$49,999 range--a greater share than noted for all other homeowners.

DISTRIBUTION BY 1989 INCOME OF RECENT FIRST-TIME OWNERS
VS. ALL OTHER HOMEOWNERS

	Recent First-Time Homeowners	All Other Homeowners
Total number	100%	100%
1989 income group:		
Less than $20,000	20	27
$20,000-$49,999	56	43
$50,000 or more	24	30

Source: U.S. Bureau of the Census, Statistical Brief SB91-13: New First-Time Homeowners

Minorities accounted for 15% of the new first-time homeowners in the survey period, vs. 7% of other recent movers, and 10% of homeowners as a whole.

Affordability, of course, is a major factor in the home-buying decision. It is noted in the census of population and housing, 1990, that the regions of the country registering the highest median value in their owner-occupied housing units--the West and the Northeast--have the highest percentage of renter-occupied units: 41% and 38.7%, respectively, compared with the national average of 35.8%.

Housing Sales/Home Buyers (continued)

Last June the Census Bureau issued a first-time study report on "Who Can Afford To Buy a House?" (Current Housing Reports, Series H121/91-1), which confirmed that ownership is becoming more difficult for many Americans. Major factors preventing people from qualifying for a home purchase include too much total debt, lack of funds for a down payment--due in part to the low savings rates in recent years, and insufficient income to meet monthly payments. A lowering of interest rates will help but not completely overcome those obstacles for many.

Another important factor in encouraging home ownership is the anticipation of rising values, making the home a good long-term investment. Confidence in this development has been seriously shaken by the recent decline in the value of existing homes which will be difficult to turn around in a short time. Lack of confidence in job security and the outlook for the economy are also discouraging home buying.

Occupied Units: Owners/Renters

Counts on occupied housing units compiled in the 1990 census (equivalent to the nation's count of households) reached 91,947.4 thousand in 1990--11.6 million more than in 1980, although the ownership rate registered a slight decline. This rate skyrocketed from about 44% of occupied housing units in 1940 to a peak of 64.4% in the 1980 census, but slipped to 64.2% in 1990.

HOUSING UNITS IN THE U.S.: 1980, 1990

	1990	1980	% Change (% Points)
All housing units	102,263,678	88,411,263	15.7
Percent occupied	89.9%	90.9%	(-1.0)
Occupied housing units	91,947,410	80,389,673	14.4
Percent	100.0%	100.0%	
Owner-occupied	59,024,811	51,794,545	14.0
Percent	64.2	64.4	(-0.2)
Renter occupied	32,922,599	28,595,128	15.1
Percent	35.8	35.6	(+0.2)
Owner-occupied single family houses	44,918,000	39,470,656	13.8
Percent	48.8	49.1	(-0.3)

Source: U.S. Bureau of the Census: Census of Population and Housing

Most of the 1980s' gain in occupied housing units was in the South and West, which together increased their housing stock by about 10 million units. More than one third of the increase was reported from California, Florida and Texas.

Occupied Units: Owners/Renters (continued)

Data on the composition by major races and Hispanic origin of householders for 1990 has been released thus far in census data for 1990, and is now available on a statewide as well as regional basis.

RACE AND HISPANIC ORIGIN OF HOUSEHOLDERS: 1990 Census
(Numbers in thousands)

	U.S. Total	Northeast	Midwest	South	West
Householders of occupied housing units, total	91,947.4	18,872.7	22,317.0	31,822.2	18,935.5
Race:					
White	76,880.1	16,123.1	19,858.4	25,502.5	15,396.0
Percent of occupied units	83.6%	85.4%	89.0%	80.1%	81.3%
Black	9,976.2	1,864.5	1,938.4	5,209.9	963.4
Percent of occupied units	10.8%	9.9%	8.7%	16.4%	5.1%
American Indian, Eskimo or Aleut	591.4	42.0	101.8	183.5	264.1
Percent of occupied units	0.6%	0.2%	0.5%	0.6%	1.4
Asian or Pacific Islander	2,013.7	374.2	207.1	307.4	1,124.9
Percent of occupied units	2.2%	2.0	0.9%	1.0%	5.9%
Other race	2,486.0	468.9	211.2	618.9	1,187.1
Percent of occupied units	2.7%	2.5%	0.9%	1.9%	6.3%
Hispanic origin (of any race)	6,001.7	1,108.5	458.6	1,911.6	2,523.0
Percent of occupied units	6.5%	5.9%	2.1%	6.0%	13.0%

Source: See below

One-family homes made up 64% of the housing inventory in 1990, and registered a 12.7% increase over the 1980 total. Units in small multi-unit structures of 2 to 4 units increased only 1%, while units in larger buildings rose 16%.

ONE-FAMILY HOMES BY TYPE OF STRUCTURE: 1980, 1990
(Numbers in thousands)

	1990		1980		% Change
	Number	%	Number	%	1990/80
Housing inventory, total	102,264	100.0%	88,411	100.0%	15.7%
One-family (attached or detached)	65,762	64.3	58,349	66.0	12.7
In multi-units of:					
2 to 4 units	9,876	9.7	9,766	11.0	1.1
5 or more units	18,105	17.7	15,618	17.7	15.9
Mobile homes	7,400	7.2	4,663	5.3	58.7
Other	1,121	1.1	15	*	--

* Less than 0.1%

Source: U.S.Bureau of the Census: Census of Population and Housing

Occupied Units: Owners/Renters (continued)

Overall, the average household size in the nation fell from 2.75 persons per unit in 1980 to 2.63 in 1990, due entirely to the decline noted for owner households, which fell from an average of 2.96 persons to 2.75. Renter households, on the other hand, rose from 2.37 persons to 2.42 in the decade.

Above average numbers of persons per household are reported in the 1990 census in the West South Central, Mountain and Pacific divisions of the country.

Occupied housing units with more than one person per room rose in the 1980s--from 4.5% in 1980 to 4.9% in 1990--perhaps reflecting the growth in the number of young adults who have returned to parent's homes, or who have delayed departure, as well as other factors. But in 1970 the rate was 8.2%.

Vacant units increased faster than occupied units in the 1980s: for gains of 29% vs. 14%. Overall, 10.1% of the housing inventory in 1990, with above average levels noted in the table below.

THE HOUSING PROFILE BY REGION/DIVISION OF THE U.S.: 1990 CENSUS
(Numbers in thousands)

	Housing Units			Percent	Persons per
	Total	Occupied	Percent	Vacant	Household
U.S. total	102,263.7	91,947.4	100.0%	10.1%	2.63
Northeast	20,810.6	18,872.7	20.5	9.3	2.61
New England	5,570.3	4,942.7	5.4	11.3	2.58
Middle Atlantic	15,240.3	13,930.0	15.1	8.6	2.62
Midwest	24,492.7	22,317.0	24.3	8.9	2.60
East North Central	17,028.0	15,596.6	17.0	8.4	2.63
West North Central	7,464.7	6,720.4	7.3	10.0	2.55
South	36,065.1	31,822.2	34.6	11.8	2.61
South Atlantic	18,719.0	16,503.1	17.9	11.8	2.56
East South Central	6,213.7	5,651.7	6.1	9.0	2.62
West South Central	11,132.4	9,667.5	10.5	13.2	2.69
West	20,895.2	18,935.5	20.6	9.4	2.72
Mountain	5,863.0	5,033.3	5.5	14.2	2.65
Pacific	15,031.2	13,902.1	15.1	7.5	2.74

Source: U.S. Bureau of the Census (CB91-155)

Owner-occupied one-family housing units numbered 44.9 million, according to the 1990 census. They had a median value of $79,100--5% greater in real terms, adjusted for inflation, than the 1980 value of $75,000. Values (as well as contract rents) averaged highest in the West. The West had the highest concentration of rental units.

Median contract rent nationwide rose 19% in the decade on an adjusted basis, from $314 to $374 monthly. (Actual 1980 medians, without adjustment, were $47,200 for housing value and $198 for rent.)

Occupied Units: Owners/Renters (continued)

The Census Bureau notes that the national increase in median value barely kept pace with inflation in the 1960s and 1980s. In the 1950s, both value and rent increased almost one-third faster than inflation. Homeowners who bought in that period are the fortunate ones, but some are finding price-resistance in trying to sell homes to potential buyers no longer attracted by the possibility of large future gains.

SELECTED COUNTS ON HOUSING BY REGION: 1990 Census
(Number of housing units in thousands)

	U.S.Total	Northeast	Midwest	South	West
Occupied housing units (number)	91,947.4	18,872.7	22,317.0	31,822.2	18,935.5
Owner-occupied (percent)	64.2%	61.3%	68.1%	66.2%	59.0
Renter-occupied (percent)	35.8%	38.7%	31.9%	33.8%	41.0%
Vacant units (number)	10,316.3	1,937.9	2,175.7	4,242.8	1,959.7
For seasonal/recreational/ occasional use (percent)	30.0%	39.8%	31.4%	24.7%	29.6%
Persons per unit (number), total	2.63	2.61	2.60	2.61	2.72
Owner-occupied	2.75	2.80	2.75	2.69	2.80
Renter-occupied	2.42	2.31	2.28	2.46	2.60
Owner-occupied, one-family units					
Number	44,918.0	8,762.9	11,794.7	15,595.6	8,764.8
Distribution by value:	100.0%	100.0%	100.0%	100.0%	100.0%
Less than $50,000	25.4	13.5	35.7	33.0	9.8
$50,000 to $99,999	37.8	26.0	44.5	43.3	30.6
$100,000 to $149,999	15.1	21.5	11.9	12.7	17.1
$150,000 to $199,999	8.9	18.0	4.2	5.3	12.8
$200,000 to $288,999	7.5	13.6	2.4	3.6	15.3
$300,000 or more	5.3	7.4	1.3	2.2	14.3
Median value	$ 79,100	$124,400	$ 62,500	$66,000	$126,200
Renter-occupied units paying cash rent	30,490.5	6,947.9	6,524.0	9,718.1	7,300.6
Median rent	$ 374	$ 432	$ 319	$ 324	$ 473

Source: U.S. Bureau of the Census (CB91-217)

The Survey of Consumer Finances, 1988 and 1989, by the Survey Research Center, University of Michigan, reported as follows on home ownership vs. rental by family income and net worth.

Occupied Units: Owners/Renters (continued)

HOUSING STATUS OF FAMILIES: 1983, 1989 INCOME AND NET WORTH
(Values in 1989 dollars, in thousands)

	1989			1983		
	% of Families	Median	Mean	% of Families	Median	Mean
Housing status by income						
Own principal residence	65	$ 44.4	$ 31.5	63	$ 40.9	31.1
Rent or other	35	19.6	13.9	37	20.6	16.2
Housing status by net worth						
Own principal residence	65	$266.9	$ 97.3	63	$219.6	80.4
Rent or other	35	31.2	2.2	37	26.8	3.0

Source: Federal Reserve Board: Federal Reserve Bulletin (January 1992)

The proportion of all families covered in the surveys owning homes rose slightly, from 63% in 1983 to 65% in 1989, but the proportion of all families with mortgages rose faster, from 37% to almost 39% About 60% of home owners had mortgage debt. The median size of a mortgage in constant 1989 dollars rose from $27,000 to $32,000; the median value of owned principal residences rose from $64.7 thousand to $70 thousand (constant 1989 dollars), a gain of 8%. The mean value, however, rose 23%--the top half of the value distribution shifted upward faster than the bottom half.

Homeowner Characteristics

Results of the Census Bureau's American Housing Survey for the U.S. in 1989 (Current Housing Reports, Series H-150-89) analyzes homeowners who are "house-rich" (with ownership a relatively easy investment), and the "house-poor" (for whom it is a financial burden.)

About 10% of the homeowners were house-poor in 1989. Principal, interest, taxes, insurance and owner associated fees exceeded 28% of the monthly family income. High costs in the West and Northeast resulted in a larger share of house-poor--14% in the West and 12% in the Northeast, compared with 8% in the South, 7% in the Midwest.

More owners who moved into their houses after 1980 were house-poor than those who moved in earlier (13% vs. 7%). Those with family incomes below $15,000 had 20% in the house-poor category, compared with only 4% of those with incomes of $55,000 or more.

Homeowner Characteristics (continued)

Only 14% of homeowners were "house-rich" in 1989--spending 28% or less of their monthly family income for housing, and had homes valued at four or more times annual income. About 20% of the owners in the Northeast and West were house-rich, compared with only 11% in the South, 9% in the Midwest. Length of residence was an important determinant: about 31% of prior-1960 owners were house-rich, only 8% of those who moved in after 1980.

A large 82% of owners aged 65 or older had no mortgages (compared with 29% under age 65) helping 32% into the house-rich class, even though many had family incomes under $15,000. Only 5% of all owners with incomes of $55,000 or more were classified as house-rich.

Details not yet available through the 1990 census of population and housing, covering homeownership rates by age and sex of householder, are found in surveys on Housing Vacancies and Home Ownership compiled by the Census Bureau on a regular basis through sample surveys of occupied units. Numbers may not be exactly comparable to census counts when issued.

While some long-term comparisons may be affected somewhat by changes in methodology adopted over a period by the Census Bureau, a downward trend persists in home ownership in some classifications, particularly among younger householders. As previously noted, these will represent a diminishing share of the U.S. population due to the "baby-bust" years (1965-1979) and they are not forming new households at past rates. Above-average homeownership rates are noted among family householders upwards of 35 years of age, a growing segment of the population, but ownership among non-family householders including singles and non-married couples--which have been increasing--is generally well below average.

Compared with the 1980 rates, homeownership in the Northeast was higher in 1989, but rates were lower in the Midwest, South, and West. Compared with the 1989 overall homeownership rate of 64%, on a state-wide basis rates ranged from 52% in New York to 75% in West Virginia.

Home-improvement spending, which accounts for about 25% of total residential investment, may be expected to pick up as prices of existing homes strengthen, and home-equity lending and mortgage refinancing are available at attractive rates.

LABOR FORCE, EMPLOYMENT/UNEMPLOYMENT

The Labor Force

Growth in the size of the U.S. civilian labor force--people working or actively seeking employment--has been unusually weak since the onset of the recession in July 1990. The rate of gain by December 1991 was only about a third of the growth rate in previous recessions. In the 1980s, work force growth averaged 2 million a year; in 1991 it increased by less than 500,000. The participation rate (percent of the population age 16 years and over in the labor force) stood at 65.9 in December 1991. The December rate in 1990 was 66.3; in 1989, 66.9.

The Labor Force (continued)

The current slowdown is attributed to a sharp rise in voluntary and involuntary retirement among older and middle-aged male workers and to a decline in young workers due to the sharp drop in birth totals in the years 1965-1979. The 5.9 million youths age 16 to 19 in the work force in December 1991 compared with 6.2 million a year earlier. An increase in the number of discouraged job-seekers who have dropped out of the labor force, and those opting to return to school or stay home without seeking jobs, also contributed to the slack labor force growth.

In the longer term, growth will be affected to an increasing extent by the aging of the population as numbers of the huge baby boom generation moved along the age scale (they now range in age from 32 to 46), and by an expected continued slowdown in participation rates, particularly among young women.

Every other year the Bureau of Labor Statistics (BLS) develops three alternative projections on many segments of the U.S. economy, including the size of the labor force and employment details. The projections are based on a range of assumptions on future developments yielding estimates on low, moderate and high growth rates. Projections for the period 1990-2005 were published in the November 1991 Monthly Labor Review.

In the moderate-growth series on the labor force, an increase of about 18 million in the size is projected for the 1990-2000 period, then slowing to a gain of less than eight million for the five-year period 2000-2005. Labor force growth in the moderate series is projected to slow to 1.3% a year in 1990-2005, compared with 1.9% in 1975-1990. Comparable gains in population growth are projected at 0.8% and 1.0%, respectively.

While declines in the number of youths in the labor force will continue for a few years, about 1996 this group will begin to increase gradually, and by 2005 is projected to be 2.8 million larger than in 1990. In the 1975-1990 period, the number of women in the labor force increased 51%; in the 1990-2000 period the gain is expected to be only 26%, based on moderate growth assumptions.

Of the projected 26 million increase in the overall size of the labor force from 1990 to 2005, the BLS expected 7.3 million (28%) would be minorities; 14.9 million (57.5%) women. The highest growth rate in the moderate series is looked for among workers age 55 and over, projected to increase by 6.7 million.

As growth in the labor force slows, demand for labor may grow even more slowly, as productivity increases. Under pressure from foreign competition, productivity in manufacturing grew in the 1980s at more than triple the 1970s rate, while the number of manufacturing employees declined by a million. After a serious lag, productivity is now rising in the service industries. Combined with slightly lower real growth in the Gross National Product, civilian employment growth could slow to 0.7% in the 1990s from 1.8% in the 1980s, according to economist A. Gary Shilling (Wall Street Journal, Jan. 13, 1992.)

LABOR FORCE, EMPLOYMENT/UNEMPLOYMENT

The Labor Force (continued)

The following table summary reported characteristics of labor force growth projected to year 2005.

CIVILIAN LABOR FORCE AND PARTICIPATION RATES: GROWTH PROJECTIONS TO 2005
(Moderate Series)

	Participation Rate %			Level (millions)			% Change		Annual Growth Rate	
	1975	1990	2005	1975	1990	2005	1975-1990	1990-2005	1990-1975	1990-2005
Total, age 16 & over	61.2	66.4	69.0	93.8	124.8	150.7	33.1	20.8	1.9	1.3
Men, age 16 & over	77.9	76.1	75.4	56.3	68.2	79.3	21.2	16.3	1.3	1.0
Age: 16-19	59.1	55.6	57.7	4.8	3.9	4.6	-19.5	18.3	-1.4	1.1
20-24	84.5	84.3	86.1	7.6	7.3	8.0	3.6	9.6	-0.2	0.6
25-34	95.3	94.2	93.6	14.2	19.8	17.0	39.6	-14.4	2.2	-1.0
35-44	95.6	94.4	93.4	10.4	17.3	19.2	66.1	11.4	3.4	0.7
45-54	92.1	90.7	90.3	10.4	11.2	18.6	7.5	66.3	0.5	3.4
55-64	75.6	67.7	67.9	7.0	6.8	9.7	-3.4	42.8	-0.2	2.4
65 & over	21.6	16.4	16.0	1.9	2.0	2.3	6.2	13.2	0.4	.8
Women, age 16 & over	46.3	57.5	63.0	37.5	56.5	71.4	50.9	26.2	2.8	1.6
Age: 16-19	49.1	51.8	54.3	4.1	3.5	4.2	-12.8	19.0	-0.9	1.2
20-24	64.1	71.6	75.3	6.2	6.5	7.3	5.9	10.9	0.4	0.7
25-34	54.9	73.6	79.7	8.7	16.0	14.7	84.4	-7.9	4.2	-0.5
35-44	55.8	76.5	85.3	6.5	14.6	17.8	124.1	22.3	5.5	1.4
45-54	54.6	71.2	81.5	6.7	9.3	17.2	39.4	84.9	2.2	4.2
55-64	40.9	45.3	54.3	4.3	5.2	8.4	17.4	65.0	1.1	3.4
65 & over	8.2	8.7	8.8	1.0	1.5	1.8	44.1	16.9	2.5	1.0
White, 16 & over	61.5	66.8	69.7	82.8	107.2	125.8	29.4	17.4	1.7	1.1
Men	78.7	76.9	76.2	50.3	59.3	66.8	17.8	12.7	1.1	0.8
Women	45.9	57.5	63.5	32.5	47.9	58.9	47.3	23.1	2.6	1.4
Black, 16 & over	58.8	63.3	65.6	9.3	13.5	17.8	45.7	31.7	2.5	1.9
Men	71.0	70.1	70.2	5.0	6.7	8.7	33.7	29.8	2.0	1.8
Women	48.9	57.8	61.7	4.2	6.8	9.1	59.8	33.6	3.2	1.9
Asian & other, 16 & over	62.4	64.9	66.4	1.6	4.1	7.2	150.5	74.5	6.3	3.8
Men	74.8	74.2	75.0	0.9	2.2	3.8	139.1	69.9	6.0	3.6
Women	51.3	56.7	58.9	0.7	1.9	3.4	165.4	79.8	6.7	4.0
Hispanic,** 16 & over	na	67.0	69.9	na	9.6	16.8	--	75.3	5.9*	3.8
Men	na	81.2	81.6	na	5.8	9.9	--	72.1	5.8*	3.7
Women	na	53.0	58.0	na	3.8	6.9	--	3.1	6.2*	4.0

na not available
* 1976-1990
** Hispanics may be of any race

Source: U.S. Bureau of Labor Statistics: Monthly Labor Review (November 1991)

LABOR FORCE, EMPLOYMENT/UNEMPLOYMENT

Employment/Unemployment

TRENDS IN THE EMPLOYMENT PICTURE SINCE THE START OF THE RECESSION IN JULY 1990

(Numbers in thousands, seasonally adjusted)

	Dec. 1991(p)	Dec. 1990	July 1990	Change from July '90-Dec. '91	
				Number	%
TOTAL*					
Civilian noninstitutional population	190,605	188,866	188,136	2,469	1.3
Civilian labor force	125,619	125,144	124,767	952	0.7
Participation rate	65.9	66.3	66.3	--	--
Employed	116,728	117,476	117,953	(1,225)	(1.0)
Employment-population ratio	61.2	62.1	62.7	--	--
Unemployed	8,891	7,668	6,814	2,077	30.5
Unemployment rate	7.1	6.1	5.5	--	--
Not in the labor force	64,986	63,722	63,369	1,617	2.5
MEN, 20 YEARS AND OVER					
Civilian noninstitutional population	84,367	83,208	82,790	1,577	1.9
Civilian labor force	64,962	67,768	64,344	618	1.0
Participation rate	77.0	77.8	77.7	--	--
Employed	60,672	61,096	61,196	(524)	(0.8)
Employment-population ratio	71.9	73.4	73.9	--	--
Unemployed	4,290	3,672	3,148	1,142	36.3
Unemployment rate	6.6	5.7	4.9	--	--
Not in the labor force	19,405	15,440	18,446	959	5.2
WOMEN, 20 YEARS AND OVER					
Civilian noninstitutional population	93,032	92,042	91,581	1,451	1.9
Civilian labor force	53,909	53,188	53,315	--	--
Participation rate	57.9	57.8	58.1	--	--
Employed	50,613	50,396	50,719	(10.6)	(0.2)
Employment-population ratio	54.4	54.8	55.4	--	--
Unemployed	3,296	2,792	2,520	--	--
Unemployment rate	6.1	5.2	4.7	--	--
Not in the labor force	39,123	38,854	38,266	857	2.3

(p) preliminary   * Includes population age 16 and over

Source: U.S. Bureau of Labor Statistics

The recession has hit the ranks of wage and salary workers in almost every business classification, with the exception of services--notably health care. As large companies continue to announce plans for massive layoffs, and as restructuring, downsizing and plant/store closings continue, an upturn in employment does not appear to be in the near future. Many jobs cannot be recovered, particularly in manufacturing.

Factory employment had already suffered before the current recession, especially in the automotive industry, due to foreign competition. Average employment in 1990, at 19.1 million, compared with the 1979 peak average of 21 million. In the September-December 1991 period, according to the BLS, all factory jobs declined by between 30,000 and 40,000 a month, leaving employment nearly 450,000 below its year ago peak. Cuts in defense spending will swell the unemployment ranks in manufacturing.

Employment/Unemployment (continued)

Construction jobs will not pick up until home building recovers. It is expected that the cut in interest rates and possible tax cuts will help; a longer lag is anticipated in the over-built commercial sector and public projects. Disappointing results in the service sector of the economy were caused in the past by the downturn in retail trade. The failure of three major carriers--Eastern, PanAm and Midway, while three others--Continental, TWA and America West--were in default or bankruptcy, resulted in layoffs of more than 57,000 people during the year. Layoffs in financial services and advertising services have cut employment ranks severely, particularly in the New York area.

By the close of 1991, there were 1.2 million fewer employed civilians than at the start of the recession in July 1990. Including those losing jobs or entering the labor force, the number of unemployed went up over two million. the unemployment rate for December 1991 stood at 7.1, up from a seasonally adjusted rate of 5.5 in July 1990 and 6.1 in December 1990.

Since July 1990, according to the BLS, the total number of job losses (including those on layoff anticipating recall) has increased by 1.8 million. Job losers accounted for 56% of the unemployed in December 1991. Almost one out of three of the unemployed had been out of work for 15 weeks or more; 23% were in this fix in December 1990; 22.3% in July 1990 seasonally adjusted counts.

REASON FOR UNEMPLOYMENT: DECEMBER 1991, 1990, JULY 1990
(Numbers in thousands, seasonally adjusted)

	Dec. 1991(p)	Dec. 1990	July 1990
Total unemployed	8,891	7,668	6,814
Percent	100.0	100.0	100.0
Job losers	56.2	50.4	45.7
On layoff	14.1	15.3	14.2
Other job losers	42.1	35.0	31.5
Job leavers	10.3	13.6	15.2
Re-entrants	24.4	27.4	29.0
New entrants	9.1	8.6	10.2

(p) preliminary

Source: U.S. Bureau of Labor Statistics

The unemployment rates have become an increasingly important factor in Federal Reserve Board decisions on lowering interest rates. The December 1991 rate of 7.1% was the highest in five and a half years, but the situation was brightened somewhat by an unexpected rise in payrolls (wage and salary workers) in non-agricultural industries, which were up 116,000 on a seasonally adjusted basis from the November count (though well below the December 1990 level). Government workers accounted for most of the rise. There was a slight increase in the length of the average workweek, an increase in the proportion of industries adding workers rather than shedding them, and a rise in production working hours. The Federal Reserve Board held up on further cuts in the interest rates as of year's end.

Employment/Unemployment (continued)

A worrisome aspect of the unemployment situation is the undercount of the real number, as well as the changing characteristics of the work force. As noted, labor force growth has slowed due in part to the number of people who have been forced to take early retirement, and others who have given up the job search. In the fourth quarter of 1991, 1.1 million unemployed gave up looking for work, according to the BLS. An uncounted number have opted to return to school rather than try to find employment; many others have had to settle for jobs downgrading pay or job satisfaction. Unwilling part-time workers and free-lance workers are selling the employment ranks. In December 1991, the BLS counted 6.3 million people working part-time who would prefer full-time work, up from 5.6 million a year earlier. Many analysts believe that the actual number of unemployed, including the discouraged people who have dropped out of the work force, is about 10 million as of December 1991.

EMPLOYEES ON NON-FARM PAYROLLS BY INDUSTRY: JULY, DECEMBER 1990
(Numbers in thousands, seasonally adjusted)

	Dec. 1991(p)	Dec. 1990	July 1990	Change From July 1990-Dec.1991 Number	Change From July 1990-Dec.1991 Percent
Total	108,839	109,621	110,740	(2,853)	(1.7)
Total private	90,308	91,268	92,300	(1,992)	(2.2)
Goods producing industries	23,572	24,375	25,105	(1,533)	(6.1)
Mining	670	715	745	(75)	(10.1)
Construction	4,596	4,911	5,229	(633)	(12.1)
Manufacturing	18,306	18,749	19,131	(825)	(4.3)
Production workers	12,391	12,672	13,010	(619)	(4.8)
Durable goods	10,425	10,828	11,179	(754)	(6.7)
Production workers	6,893	7,148	7,438	(545)	(7.3)
Nondurable goods	7,881	7,921	7,952	(71)	(0.9)
Production workers	5,498	5,524	5,572	(74)	(1.3)
Service-producing industries	85,267	85,246	85,635	(368)	(0.4)
Transportation and public utilities	5,796	5,867	5,841	(45)	(0.8)
Wholesale trade	6,017	6,166	6,374	(357)	(5.6)
Retail trade	19,180	19,579	19,851	(671)	(3.4)
Finance, insurance, real estate	6,696	6,733	6,842	(146)	(2.1)
Services	29,047	28,548	28,287	760	2.7
Business services	5,339	5,275	5,051	288	5.7
Health services	8,443	8,032	8,132	311	3.8
Government	18,531	18,353	18,440	91	0.5

(p) preliminary

Source: U.S. Bureau of Labor Statistics

Employment/Unemployment By Industry

UNEMPLOYMENT TRENDS BY INDUSTRY CLASSIFICATION SINCE THE START OF THE RECESSION IN JULY 1990

(Numbers in thousands, seasonally adjusted)

	Number Unemployed						Unemployment Rates		
	Dec. 1991(p)		Dec. 1990		July 1990		Dec. 1991	Dec. 1990	July 1990
	No.	%	No.	%	No.	%			
Total reported	7,777	100.0	6,644	100.0	5,858	100.0	**	**	**
Nonagricultural private wage & salary workers	6,909	88.8	5,910	88.9	5,163	86.1	7.4	6.3	6.5
Goods-producing inds.	2,554	32.8	2,368	35.6	1,938	33.1	9.2	8.2	6.6
Mining	61	0.7	47	0.7	32	0.5	8.2	6.5	4.4
Construction	971	12.5	873	13.1	668	11.4	16.3	15.4	10.2
Manufacturing	1,522	19.6	1,448	21.8	1,238	21.1	7.2	6.7	5.7
Durable goods	888	11.4	875	13.2	730	12.5	7.3	6.8	5.6
Nondurable goods	634	8.2	573	8.6	508	8.7	7.1	6.4	5.7
Service-producing industries	4,355	56.0	3,542	53.3	3,225	55.0	6.6	5.5	5.0
Transportation & public utilities	456	5.9	283	4.2	237	4.0	6.7	4.3	3.7
Wholesale & retail trade	1,858	23.9	1,586	23.9	1,448	24.7	7.8	6.7	6.0
Finance & service industries	2,041	26.2	1,673	25.2	1,540	26.3	5.8	4.9	4.5
Government workers	634	8.4	494	7.4	507	8.6	3.5	2.7	2.8
Agricultural wage & salary workers	214	2.8	240	3.6	186	3.2	11.5	12.5	10.6

(p) preliminary

* Unemployment as a percent of the civilian labor force. (Self-employed are not included).

** Unemployment rates for all unemployed, including new labor force entrants not classified by industry, were reported as follows: Dec. 1991-7.1; Dec. 1990 6.1; July 1990-5.4.

***Includes health care.

Source: U.S. Bureau of Labor Statistics

Projected Employment By Industry

In the middle of three series of projections on employment by industry, compiled by the BLS to year 2005, employment overall was projected to register an annual average gain of 1.2% in the years 1990-2005, compared with 2.3% in 1975-1990. It is reminded that 1975 was the second year of deep recession, which affects this comparison. (The average in 1979-1990, considered to be nearer the trend line of long-term growth, was 1.6%, but the published details cover figures for an equal number of years: 1975 to 1990; 1990 to 2005). The slowdown in employment growth is much sharper than projected for labor force growth (1.3% projected, compared with 1.9% for the 1975-90 period).

EMPLOYMENT BY MAJOR DIVISION: 1975 AND 1990
AND MODERATE GROWTH PROJECTIONS TO 2005
(Numbers in millions)

	November			Annual rate of change	
	Actual		Projected		Projected
Major Division	1975	1990	2005	1975-90	1990-2005
Total	87.7	122.6	147.2	2.3	1.2
Nonfarm wage & salary	76.7	109.3	132.6	2.4	1.3
Goods producing	22.6	25.0	25.2	0.7	0.1
Construction	3.5	5.1	6.1	2.5	1.1
Manufacturing	18.3	19.1	18.5	0.3	(0.2)
Service-producing	54.1	84.4	107.4	3.0	1.6
Retail trade	12.6	19.7	24.8	3.0	1.6
Services	13.6	27.6	39.1	4.8	2.3
Government	14.7	18.3	21.5	1.5	1.1
Agriculture	3.5	3.3	3.1	(0.4)	(0.4)
Nonfarm self-employed	6.2	9.0	10.8	2.5	1.2

Source: U.S. Bureau of Labor Statistics:
Monthly Labor Review (November 1991)

Employment/Unemployment By Occupation

The recession which started in July 1990 has had an impact on people working or seeking work at all occupational levels. In some areas of the country, white collar workers are having a particularly difficult time as cutbacks in the financial and business service jobs continued, without much prospect of a quick revival, or good prospects for graduates armed with MBAs.

Counts on employment/unemployment by broad occupational groups as of December 1991 compared with a year ago, and at the onset of the recession, show that the effects are widespread. Blue collar workers are hit the hardest however, and the employment picture for factory workers--particularly in the automotive industry and their suppliers--has been below par for a longer period.

Unemployment of "operators, fabricators, laborers" as of the end of 1991 registered an increase of 472,000 compared with July 1990, and the unemployment rate rose from 8.1 to 10.7 (the percentage of the labor force in that classification who were out of jobs or seeking work in it). Some jobs had vanished, as the number employed in that classification decreased by 765,000 (-4.3%) in the same period.

Employment/Unemployment By Occupation (continued)

EMPLOYMENT AND UNEMPLOYMENT LEVELS OF FULL-TIME CIVILIAN WAGE AND SALARY WORKERS SINCE THE START OF THE RECESSION

(Seasonally adjusted numbers in thousands)

	Employed			Change From July 1990 to Dec. 1991		Annual Median Weekly Earnings*	
Occupation	Dec. 1991	Dec. 1990	July 1990	Number	%	1991	1990
Managerial and professional specialty	31,796	30,760	30,771	1,025	3.3	$627	$608
Technical, sales and adminstrative support	35,626	36,326	36,568	-942	-2.6	394	378
Service occupations	16,076	15,891	15,852	224	1.4	289	268
Precision production, craft and repair	12,892	13,522	13,735	-753	-5.5	483	477
Operators, fabricators, laborers	16,922	17,564	17,687	-765	-4.3	351	339

	Unemployed			Change from July 1990 to Dec. 1991	Unemployment Rates		
	Dec. 1991	Dec. 1990	July 1990	Number	Dec. 1991	Dec. 1990	July 1990
Managerial and professional specialty	944	721	657	287	2.9	2.3	2.1
Technical, sales and administrative support	2,101	1,825	1,573	328	5.6	4.8	4.1
Precision production, craft and repair	1,168	1,032	819	349	8.3	7.1	5.6
Operators, fabricators, laborers	2,029	1,897	1,557	472	10.7	9.7	8.1

Note: Seasonally adjusted data for service worker unemployment not available.

* The groupings of occupations cover a wide range of earnings. For example, the median within the top classification was for managers: marketing, advertising, public relations ($902 for men, $616 for women in 1990). This is a group that has seen a lot of cuts in jobs since the recession began.

Source: U.S. Bureau of Labor Statistics

Projected Employment By Occupation

In projecting employment levels by occupation to year 2005, the BLS finds above-average growth confined to occupational groups with higher educational attainment levels--mathematical and computer scientists, health assessment and treating occupations, lawyers, judges, etc. This is reflected in the increasing proportions of executive, administrative, and managerial workers; professional specialty occupations; and technicians and related support occupations. These three major groups, which accounted for just over one-fourth of total employment in 1990, are expected to account for 41% of the increase in employment between 1990 and 2005. This will be a factor in the continuing concentration of income and wealth among the top 20% of households.

Projected Employment By Occupation (continued)

Combined with data on growth by industry, it appears that nearly half the growth in these occupational groups will be in the service category, especially in engineering and management services and, business services industries. Projected growth, however, is considerably slower than it was from 1975 to 1990, when the number of executive, administrative, and managerial workers grew more than twice as fast as total employment, according to the BLS. Layers of middle-management jobs have been eliminated now, leaving the outlook more favorable for technical people.

The BLS has developed employment projections through the year 2005 for more than 500 detailed occupations, including low, moderate, and high estimates (see Monthly Labor Review, November 1991). Projections are made for occupational employment by sex, racial origin, educational attainment.

EARNINGS

While reports on earnings of the nation's workers show year-to-year gains when measured in current dollars, on a constant dollar basis, eliminating the effects of inflation, there is a serious decline in real earnings.

In January 1991, average weekly earnings of production or non-supervisory workers, at $347.14, were 2.5% over January 1990, 5.0% over January 1989. Measured in a constant 1982 dollar, however, year-to-year declines were 2.8% and 5.3%, respectively.

Preliminary figures for December 1991 report average weekly earnings (seasonally adjusted) at $362.25--2.9% over the December 1990 average. Inflation, as measured by the Consumer Price Index rose 3.1% in 1991. The following table compares the current-dollar and constant-dollar average weekly earnings as of January from 1986 to 1991.

AVERAGE WEEKLY EARNINGS OF PRODUCTION OR NONSUPERVISORY WORKERS
ON PRIVATE NONFARM PAYROLLS: JANUARY 1986-1991

January:	In Current Dollars	In Constant (1982) Dollars
1986	$304.67	$269.80
1987	307.79	270.40
1988	316.81	267.58
1989	330.60	267.26
1990	338.79	260.41
1991	347.14	253.02

Source: U.S. Bureau of Labor Statistics:
Supplement to Employment, Hours, and Earnings

Earnings of production and nonsupervisory workers fell in the 1980s, according to a study by the Economic Policy Institute. Gains in earnings of college-educated men (supervisory/management) began to be outpaced by inflation later in 1987. Their inflation-adjusted incomes fell by 4% in 1990. Cited as a factor in declining average incomes of this group is the increase in early retirement of high-income white collar workers who have been replaced by younger lower-paid employees.

EARNINGS

According to the March 1991 Current Population Survey, conducted by the Census Bureau, the median earnings of year-round, full-time male workers in 1990 was $27,866, representing a decline in real terms of 3.6% compared with 1989, and marking the third consecutive year of declines. Earnings of full-time, year-round female workers gained slightly over 1989 (+0.1%) in real terms, with a median of $19,816 in 1990.

The differing trends in male and female earning patterns is responsible for a significant increase in the female-to-male earnings ratio. It reached a high of .71 in 1990, compared with the ratios of .68 in 1989 and .60 in 1980.

It must be kept in mind that these ratios cover full-time, year-round workers, and do not reflect the disparity in earnings due to the disproportionate representation of women in the part-time work force.

Peak earnings (and total income from all sources) are concentrated in the fastest-growing age groups, 35-to-54 years. As noted in the section on INCOME, in 1990 the average total income of full-time, year-round male workers age 35-44 years was $39,263, the mean $32,607; comparable for females: $25,795, $22,505. For these workers age 45-54 years, males average income was $42,618, median, $35,732; comparable for females: $25,221, $21,938.

INFLATION

Consumer price levels, overall, rose 3.1% in 1991, according to The Department of Labor--the lowest level of inflation since 1986, when falling oil prices were a factor in the rise in consumer prices of only 1.1%. The 1991 rate compared with a 6.1% inflation rate in 1990, when energy prices rose sharply.

Excluding food and energy, consumer prices in 1991 (the core rate of inflation) rose 4.4% in 1991 compared with 5.2% in 1990, but about the average rate since 1983. Accelerated price increases were reported for education, tobacco and alcohol, while those of most other groups slowed. Health care prices in 1991 were up 7.9%--high, but less than the 9.6% rate reported for 1990. Energy prices in 1991 fell 7.4%, following the 18.1% rise in 1990.

Weak consumer demand is a major factor in holding down the current inflation rate, and many economists expect the rate to pick up as the economy improves. However, Federal Reserve Board officials have expressed the view that the inflation rate will come down further in 1992, partly because the money supply has grown very slowly in the past several months. Generally, economists expect the inflation rate in 1992 to be moderate--in the range of 3% to 3.5%.

The inflation rate in some major cities was higher than the average 3.1% for the nation in 1991: Philadelphia (3.6%), New York and San Francisco (each at 3.5%), Houston (3.3%). Among the major cities reporting below-average inflation were: Washington (3.0%), Dallas, Ft. Worth and Los Angeles (2.8%), Detroit (2.1%), Boston (2.0%).

INFLATION

INFLATION RATES AS MEASURED BY CHANGES IN THE CONSUMER PRICE INDEX FOR URBAN CONSUMERS DECEMBER TO DECEMBER (SELECTED YEARS)

	1991	1990	1989	1981
All items	3.1	6.1	4.6	8.9
Minus food & energy	4.4	5.2	4.4	9.5
Food and beverages	2.5	5.3	5.5	4.3
Housing*	3.4	4.5	3.9	10.2
Apparel and upkeep	3.4	5.1	1.0	3.5
Transportation**	-1.5	10.4	4.0	10.9
Medical care	7.9	9.6	8.5	12.5
Entertainment	3.9	4.3	5.1	7.2
Other goods and services	8.0	7.6	8.2	9.9

* Includes shelter, fuel and other utilities, household furnishings and operation, supplies, services.

** Includes cost of new and used cars, fuel, maintenance, repair, public transportation.

Source: U.S. Bureau of Labor Statistics

INCOME/WEALTH

Personal Income

Personal income in 1991, according to revised estimates by the Bureau of Economic Analysis (BEA), totaled $4,835.3 billion, 3.3% over the 1990 total of $4,679.8 billion, slightly outpacing inflation which rose 3.1% in 1991. Following a decline of 0.2% in November 1991 seasonally adjusted annual income rate compared with October, the December rate gained an estimated 1.0% over November.

The pattern in personal income by source shows a drop in share accounted for by wages and salaries except for service industries and government, also in personal interest income (from 15.4% in 1990 to 14.9% in 1991). Government benefit payments registered a gain in share from 14.6% to 15.7%. The total of unemployment insurance benefits in 1991 was 49.2% higher than in 1990.

Personal Income (continued)

PERSONAL INCOME, TOTAL AND BY MAJOR COMPONENTS

	Billions of $		% Change	% of total	
	1991(r)	1990	1991/90	1991	1990
Personal income	$4,833.9	$4,679.8	3.3	100.0	100.0
Selected types:					
Wage & salary	2,808.4	2,738.9	2.5	58.1	58.1
Commodity producing industries	738.7	745.4	-0.9	15.3	15.9
Manufacturing	556.4	555.8	0.1	11.5	11.9
Distributive industries	641.2	634.6	1.0	13.3	13.6
Service industries	887.9	845.0	5.1	18.4	18.1
Government	540.6	514.0	5.2	11.2	11.0
Other labor income	290.6	274.0	6.1	6.0	5.9
Personal dividend income	128.5	124.8	3.0	3.7	2.7
Personal interest income	719.7	721.3	-0.2	14.9	14.6
Transfer payments:	759.2	684.9	10.8	15.7	-4.6
Old-age, survivors, disability, health insurance bennefits	379.7	352.0	7.9	7.8	7.5
Govt. unemployment insurance benefits	26.7	17.9	49.2	0.5	0.4
Other	352.8	314.9	13.6	7.3	5.7

(r) revised

Source: U.S. Department of Commerce, Bureau of Economic Analysis

DISPOSABLE PERSONAL INCOME, 1990, 1991

Disposable personal income	1991(r)	1990	% Change 1991/90
Current dollars (billions)	$4,219.2	$4,058.8	3.9
1987 dollars (billions)	3,535.5	3,538.3	-0.1
Per capita			
Current dollars	16,698	16,236	2.8
1987 dollars	13,992	14,154	-1.1
Population (millions)	252.7	250.0	1.1

(r) revised

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Personal Income (continued)

PERSONS 15 YEARS OLD AND OVER BY TOTAL MONEY INCOME BY SEX & WORK EXPERIENCE IN 1990

(Numbers in thousands. Persons as of March 1991)

	Male				Female			
	Total		Yr-Round, Full-Time Workers		Total		Yr-Round, Full-Time Workers	
	Number	%	Number	%	Number	%	Number	%
Total	92,840	--	49,181	--	100,680	--	31,758	--
With income	88,220	100.0	49,171	100.0	92,245	100.0	31,734	100.0
Under $5,000	10,820	12.3	690	1.4	26,337	28.6	741	2.3
$5,000-$9,999	11,312	12.8	2,088	4.2	19,563	21.2	2,501	7.9
$10,000-$14,999	11,253	12.8	4,939	10.0	13,566	14.7	5,777	18.2
$15,000-$24,999	19,166	21.7	12,046	24.5	17,516	19.0	11,239	35.4
$25,000-$34,999	14,185	16.1	11,054	22.5	8,707	9.4	6,564	20.7
$35,000-$49,999	11,604	13.1	9,783	19.9	4,457	4.8	3,429	10.8
$50,000-$74,999	6,433	7.3	5,572	11.3	1,535	1.7	1,136	3.6
$75,000 & over	3,446	3.9	3,001	6.1	565	0.6	347	1.1
Median income	$20,293		$28,979		$10,070		$20,591	
Mean income	$26,041		35,076		$13,913		$23,392	
Selected age groups								
35 to 44 years	19,032	--	14,519	--	19,633	--	9,252	--
With Income	18,755	21.3	14,519	29.5	18,546	20.1	9,248	29.1
Median income	$29,773	--	$32,607	--	$14,504	--	$22,505	--
Mean income	$34,468	--	$39,263	--	$17,667	--	$25,795	--
45 to 54 years	12,428	--	9,288	--	13,258	--	6,325	--
With income	12,209	13.8	9,286	18.9	12,278	13.3	6,309	19.9
Median income	$31,007	--	$35,732	--	$14,230	--	$21,938	--
Mean income	$37,182	--	$42,618	--	$17,831	--	$25,221	--

Source: U.S. Bureau of the Census: Current Population Reports (Series P-60, No. 174)

INCOME/WEALTH

Household Income

Details on money income of households, families and persons in 1990 were published by the Census Bureau in August 1991, and are not currently available for year 1991. However, because of the recession, which started in July 1990, it can be anticipated that the decline in real (constant dollar) household income noted in 1990 has continued.

Between 1989 and 1990, median household income in real terms dropped 1.7%--from $30,968 to $29,943. This was the first real annual decline since 1982, (a recession year). Declines were widespread by type of household to varying degrees.

The median household income of white and Hispanic-origin households declined by 2.6% to $31,231, and 3.4% to $22,330, respectively. The median income of black households ($18,676) and Asian or Pacific Islander households ($38,450) was unchanged when measured in 1990 dollars.

Compared with the median of $29,943 for all U.S. households in 1990, family households had a median of $35,707, 2.2% below the 1989 level in real terms. The highest median income was reported for married-couple families, generally having more than one earner. Their 1990 median income, $39,996, registered a real decline of 1.9% compared with 1989. Incomes of nonfamily households had an overall median income of $17,690 (-1.9%). Households with heads under age 55 registered above-average income loss--particularly those under 25 years of age.

MEDIAN INCOME OF FAMILY HOUSEHOLDS BY AGE OF HOUSEHOLDER

	1990		1989 Median Real Income	
	No. (thous.)	Median Income	In 1990 $	% Change
Total, all households	94,312	$29,943	$30,468	-1.7
Family households	66,322	35,353	36,062	-2.0
Age of householders (years)				
15 to 24	2,726	16,219	17,986	-9.8
25 to 34	14,590	31,497	32,541	-3.2
35 to 44	17,078	41,061	42,374	-3.1
45 to 54	11,701	47,165	48,592	-2.9
55 to 64	9,326	39,035	39,677	-1.6
65 & over	10,900	25,049	24,330	3.0

Note: Number of households as of March 1991; income, year 1990.

Source: U.S. Bureau of the Census: Current Population Reports
(Series P-60, No. 174)

INCOME/WEALTH

Distribution

Over the last 20 years there was a growing concentration of income and wealth. The proportion of aggregate income received by the highest fifth of households increased from 43.3% in 1970 to 46.6% in 1990, according to the Census Bureau. This trend is noted among white and black households, including those of Hispanic origin. A contributing factor is the growth in the elderly population, which tends to foster income inequality since households with elderly heads have consistently lower incomes than younger householders.

The growing number of persons living in nonfamily situations is cited by the Census Bureau as another factor, as well as the increase in families with a female householder, no husband present. Other factors which may be associated with the growing inequality of income distribution include the aging of the baby-boom generation, growth of labor force participation of women, and the changing occupational structure, with a greater number of highly skilled, high-paid people, fewer low paying jobs, and lower taxes on the wealthy. The composition of the fifths changes along with changing household characteristics.

SHARE OF AGGREGATE INCOME RECEIVED BY EACH FIFTH OF HOUSEHOLDS
AND MEAN INCOME: 1970, 1980, 1990

	Total			White		
	1990	1980	1970	1990	1980	1970
Number (millions)	94.3	82.4	64.4	81.0	71.9	57.6
% of aggregate income by fifths:						
Lowest	3.9%	4.2%	4.1%	4.2%	4.4%	4.2%
Second	9.6	10.2	10.8	1.0	10.5	11.1
Third	15.9	16.8	17.4	16.0	17.0	17.5
Fourth	24.0	24.8	24.5	23.9	24.6	24.3
Highest fifth	46.6	44.1	43.3	46.0	43.5	42.9
Mean income (in 1990 $)	$37,403	$33,409	$34,758	$38,912	$34,758	$34,868

	Black			Hispanic Origin		
	1990	1980	1970	1990	1980	1970
Number (millions)	10.7	8.8	6.2	6.2	3.9	2.7
% of aggregate income by fifths:						
Lowest%	3.1	3.7%	3.7%	4.0%	4.3%	5.3%
Second	7.9	8.7	9.3	9.5	10.1	11.2
Third	15.0	15.3	16.3	15.9	16.4	17.2
Fourth	25.1	25.2	25.2	24.3	24.8	24.0
Highest fifth	49.0	47.1	45.5	46.3	44.5	42.3
Mean income (in 1990 $)	$24,814	$22,159	$22,775	$27,972	$26,448	$27,341

Source: U.S. Bureau of the Census: Current Population Reports
(Series P-60, No. 174)

Distribution (continued)

Just made public by the Congressional Budget Office is an analysis by Paul Krugman of the Massachusetts Institute of Technology which reports that 60% of growth in the average after-tax income of all American families, and 75% of the gain in average pretax income from 1977 to 1989 went to the top 1% of families (660,000 families). These families had average pretax income in 1989 of $449,800, up from $315,000 in 1977. Their share of overall family income increased from 9% to 13%.

Adjustments may be underway in the concentration of income, at least in the near term with a reduced share for the very wealthiest. According to a study by the Economic Policy Institute, the top 20% of families based on income, and especially the top 5%, suffered a sharper downturn in average income growth in 1989-1990 than the less wealthy, following far above average income growth in the 1980s.

RELATIVE CHANGES IN AVERAGE INCOME AMONG FAMILIES
CLASSIFIED BY INCOME LEVEL

Income Level	1990 Average Income	Inflation-Adjusted Change 1979-90	Inflation-Adjusted Change 1989-90
Top 5%	$148,100	16.9%	-5.3%
Top 20%*	94,400	12.8	-3.3
Second 20%	50,800	5.1	-2.1
Third 20%	35,300	0.7	-2.0
Fourth 20%	22,900	- 1.3	-1.2
Lowest 20%	9,800	- 6.6	-1.1

* Includes top 5%

Source: Economic Policy Institute (Business Week, Feb. 10, 1992)

A more precise measurement of the relative financial well-being of the nation's households is developed in an analysis of the distribution of total wealth and asset ownership.

The Census Bureau developed a picture of household wealth (net worth) of U.S. households based on data collected in spring 1988 by the Survey of Income and Program Participation (SIPP). Net worth is defined as the value of all assets (financial and other, including home equity, motor vehicles, etc.) less debts and ownership was tracked to households measured in terms of income.

The study found that 44% of net worth is concentrated in the most affluent households--those in the highest fifth in terms of income. The difference in net worth between the highest fifth of households and the lowest fifth is very large: $111,770 vs. $4,324. The median net worth of married-couple households was $57,134 (51.7 million households) compared with under $14,000 for households maintained by men (14.4 million) and by women (25.4 million). (These are "no spouse present households").

There was a wide range in median net worth of households analysed by other factors. Levels were highest where householders were in age groups 55 to 74 in the overall figures. Differences by race and Hispanic origin are noted below.

Distribution (continued)

WEALTH CONCENTRATION BY RACE AND INCOME DISTRIBUTION: 1988

Monthly Income Quintile of Households	Median Household Net Worth By Householders Race			
	Total	White	Black	Hispanic Origin*
All households	$ 35,752	$ 43,279	$ 4,169	$ 5,524
Lowest fifth	4,324	8,839	-0-	377
Second lowest fifth	19,694	26,229	2,408	2,922
Middle fifth	28,044	32,802	8,461	6,695
Second highest fifth	46,253	50,372	20,215	21,049
Highest fifth	111,770	119,057	47,160	58,731

* Hispanics may be of any race.

Source: U.S. Bureau of the Census: Current Population Reports Household Economic Studies (Series P-70, No. 22)

Two major assets which have declined in value (or as sources of income) since 1988 account for a considerable share of the well-being of many households, particularly higher-income families--i.e. owned-homes and interest-earning assets. Homeownership accounted for 43% of overall household net worth in 1988; deposits at financial institutions, 14%, other interest-earning assets, 4%. Stocks and mutual fund shares, which have been going up in value overall, accounted for 7%.

A detailed analysis of changes in family finances from 1983 to 1989 --starting at the end of a recession and ending as the economy neared the close of a long expansion--has been compiled in the Survey of Consumer Finances (SCF) by the Survey Research Center, University of Michigan, sponsored by the Federal Reserve in cooperation with government agencies. Changes involving financial deregulation and tax laws, as well as in the demographic characteristics of families, all have a bearing on the composition and distribution of family finances. The years ahead will bring a different array of factors affecting finances--some already having an impact--such as the decline in the value of owned homes and property, the cut in interest rates, job losses, employment by occupational classifications, etc.

In the 1983-1989 period, aggregate real disposable personal income increased 21%; the consumer price levels averaged a jump of 25%; total assets and net worth of the household sector grew 61% and 56%, respectively. The overall population of households grew 9%, the largest growth in families headed by individuals beween the ages of 35 and 45 years. The proportion of dual-earner families rose from 26.5% of all families in 1983 to 29% in 1989.

An important point is made in the Federal Reserve Board's report: the small rise in the median values of income and net worth and the simultaneous substantial rise in the mean values indicate that the distributions of income and net worth became more concentrated between 1983 and 1989--that is, the concentration of income increased in the top half of the distribution.

Distribution (continued)

FAMILY INCOME AND NET WORTH BY SELECTED HOUSEHOLDER CHARACTERISTICS
1983, 1989
(Dollars in thousands of 1989 dollars)

	1983			1989		
	% of	Family Income		% of	Family Income	
	Families	Mean	Median	Familes	Mean	Median
All families*	100%	$33.4	$24.3	100%	$35.7	$24.4
Life-cycle stage of householder						
Under 55 Years:						
Unmarried, no children	11	21.7	18.1	11	22.5	17.7
Married, no children	6	40.9	34.4	5	46.8**	37.8
Unmarried, children	13	20.7	16.2	13	21.4	16.0
Married, children	35	42.1	35.0	34	49.6**	39.3
55 Years & over						
In labor force	14	49.9	31.0	12	49.0	28.0
Out of labor force						
Retired	18	20.9	13.7	18	24.8	16.1
Other	3	14.0	8.7	7	12.7	7.9
Housing status						
Own	63	40.9	31.1	65	44.4	31.5
Rent or other	17	20.6	16.2	35	19.6	13.9
		Net Worth			Net Worth	
All families*	100	$149.1	$42.7	100	$183.7	47.2
Current occupation of householder:						
Managerial & professional specialty	24	328.5	95.8	25	382.0	104.5
Technical, sales & administrative support	12	105.1	39.1	12	139.7	32.6
Service occupations	7	33.6	12.1	7	46.1	8.4
Precision production, craft, & repair	12	70.4	40.0	12	91.5	46.0
Operators, fabricators, laborers	12	49.3	28.6	9	67.3	18.8
Farming, forestry, fishing	2	343.9	185.0	2	322.3	107.3
Not working	31	110.7	30.0	33	138.9	44.0
Race of householder						
White	82	173.0	54.3	87	203.8	58.5
Nonwhite & Hispanic	18	37.6	6.9	13	45.9	4.0
Life-cycle stage of householder:						
Under 55 years:						
Unmarried, no children	11	48.9	6.0	11	47.5	8.4
Married, no children	6	80.1	20.1	5	147.9**	27.3
Unmarried, children	13	57.8	10.8	13	54.2	5.7
Married, children	35	140.6	51.3	34	196.9**	62.0

(continued)

Distribution (continued)

FAMILY INCOME AND NET WORTH BY SELECTED HOUSEHOLDER CHARACTERISTICS
1983, 1989
(Dollars in thousands of 1989 dollars)
(continued)

	1983			1989		
	% of	Family Income		% of	Family Income	
	Families	Mean	Median	Familes	Mean	Median
Life-cycle stage (cont'd.)						
55 Years & over						
In labor force	14	363.1	108.0	12	438.3	104.5
Out of labor force						
Retired	18	153.6	63.9	18	211.6	94.1
Other	3	123.8	51.0	7	87.6	33.2
Housing status						
Own	63	219.6	80.4	64	266.9	97.3
Rent	37	26.8	3.0	35	31.2	2.2

** Dual-earner couples accounted for the overall mean increase

* The definition of "family" used in the SCF differs from that used by the Bureau of the Census in that the former includes single individuals, the Census Bureau does not. Dual-earner couples accounted for the overall mean increase in mean income and net worth.

Source: Federal Reserve Board: Federal Reserve Bulletin (January 1992)

Assets

The 1989 SCF developed details on types of financial and nonfinancial assets held by families with various characteristics compared with 1983. The composition in the two periods was quite similar except for declines in business and real estate assets' share of total family assets.

COMPOSITION OF ASSETS OF ALL FAMILIES: 1983 and 1989

	1989	1983
Assets of all families	100.0%	100.0%
Financial	27.7	25.6
Nonfinancial	72.3	74.4
Vehicles	3.9	3.6
Principal residence*	32.2	33.4
Real estate and land investment	15.1	16.0
Business investment (excluding real estate)	17.8	20.4
Other	3.3	1.0

* See section on HOUSING for details on home ownership.

Source: Federal Reserve Board: Federal Reserve Bulletin
(January 1992)

DEBTS/CREDIT

The FRB found the share of families having any type of debt (including mortgages) rose from 69.6% in 1983 to 72.7% in 1989; the median amount held (in constant 1989 dollars) rose 13%, the mean, up 42% (from $31,700 to $45,000). The median rose for all income groups, but the rise was sharpest for those in the $20,000-$29,000 bracket--up nearly 50%.

COMPOSITION OF FAMILY DEBTS: 1983 and 1989

	1989	1983
Total debt	100.0	100.0
Home mortgages	53.1	58.1
Investment real estate mortgages	25.0	20.5
Home equity lines of credit	2.6	0.5
Other lines of credit	1.0	2.8
Credit cards	2.2	1.8
Car loans	8.0	6.1
Other debt	8.1	10.2

Source: Federal Reserve Board: Federal Reserve Bulletin
(January 1992)

The FRB study (compiled before the current recession) raises questions on the ability of families to repay their loans--particularly focusing on the ratio of debt payments (excluding home mortgage debt to income). This relationship studied by income groups indicated that the payment burden grew most rapidly among those families with the greatest ability to pay. However, the aggregate risk of default could rise if the incomes of these families fell--a not uncommon development in the current recession. Money made available through successful refinancing of home mortgages is often being utilized now to repay other debts. A record of more than 900,000 consumers were expected to file for bankruptcy in 1991, up from 718,000 in 1990.

Home mortgages accounted for 53.1% of total family debt in 1989, down from 58.1% in 1983. The use of home equity lines of credit, another form of mortgage debt, rose strongly and was concentrated in the high-income groups. Both credit card debt and car loans accounted for a larger share of family debt in 1989 than in 1983.

DEBTS/CREDIT

Mortgages

While the largest nonfinancial asset for most families is their principal residence, their largest financial obligation is mortgage debt--a burden many homeowners are now seeking to reduce as interest rates sink to the lowest level since the mid-1970s. But many homeowners are encountering long delays as lenders become overwhelmed, and many others are finding they don't qualify unless they produce more equity to compensate for falling home values. In the long run, however, the drop in rates will produce a welcome rise in disposable income for many homeowners, and hopefully create many new owners. (On the other hand, households relying on interest income will see a drop in disposable income.)

In the 1983-89 period, the Survey of Consumer Finances found the share of families owning homes rose slightly, but the proportion with mortgages rose from 37% to 39%. The median mortgage rose from $27,000 (in 1989 dollars) to $32,000. The two lowest income groups reduced the median value of their debt outstanding. In contrast, the three highest income groups registered a gain in the median size of mortgage debt.

Credit Outstanding

Consumers paid off more debt than they took on in 1991, causing outstanding installment credit to shrink for the first year since 1958, according to the Federal Reserve Board. The 1% decline was viewed as a sign that consumer spending was unlikely to pick up soon. In 1990, consumer credit rose 2.3% over the previous year. In 1991, consumers became more wary of spending, as confidence levels slipped to the lowest levels in more than a decade. They turned to frugality, and many took advantage of the lowest interest rates in decades to reduce their indebtedness.

Credit owed by consumers at the end of 1991 fell to $728.4 billion compared with $735.1 billion at the end of 1990. Every major credit category shrank in December, with the exception of borrowing for mobile homes. Auto loan balances decreased every month, with $689 million paid off in December, following payments of $1.89 billion in November, and by $207 million in October. The continued lag in automobile sales, plus the high rate consumers paid off in auto loans, brought the amount outstanding at the end of the year to $267.4 billion compared with $284.6 billion at the end of 1990, $290.7 billion at the end of 1989. The 1.9% drop in 1990 was the first reduction since 1980.

Credit Cards

Credit card debt dropped by $207 million in December, after growing by $1.01 billion in November and $1.59 billion in October, on a seasonally adjusted basis. Credit held by retailers at year's end was reported at $43.1 billion, down from $43.5 billion a year earlier.

DEBTS/CREDIT

Credit Cards (continued)

According to bank sources, more than 97 million people in the U.S. hold at least one credit card; and the typical consumer has four. At the end of 1990, the $231 billion in outstanding charges accounted for about 25% of consumer debt, not including home mortgages. According to a report by Chain Store Age Executive (January 1992), total credit card spending approached $500 billion in 1991; and retailers expect credit sales to become a growing share of total sales. However, resistance to the high interest rates charged on bank credit cards, which on average rose from 18.63% to 18.87% last year according to Bank Rate Monitor, is growing.

In an analysis of "Changes in Family Finances from 1983 To 1989", the FRB included details on ownership of credit cards by characteristics of families, including the following on age of head, as well as by family income, race, life-cycle stage of family, and housing status. The median debt for all families with credit cards was $900; the mean amount of credit card debt was $1,800. Among families with incomes of $50,000 or more, the median was $1,700.

SELECTED CHARACTERISTICS OF FAMILIES WITH CREDIT CARD DEBT: 1989

	Percent With Credit Card Debt	Median Debt (thous.)
All families	39.9%	$ .9
Age of family head (years):		
Under 35	44.9	1.0
35-44	52.4	1.2
45-54	50.0	1.0
55-64	34.1	0.9
65-74	25.4	0.5
75 & over	10.6	0.2
Race of family head		
White	41.0	1.0
Nonwhite and Hispanic	32.4	0.6

Source: Federal Reserve Board: Federal Reserve Bulletin (January 1992)

DISPOSITION OF PERSONAL INCOME

Savings

Savings as a percent of disposable personal income were at a 5.2 rate in 1991, according to preliminary Bureau of Economic Analysis (BEA) estimates. This compares with 5.1 in 1990, and it was the highest rate since 1986 (6.0). Savings from 1987 to 1989 ranged from a very low 4.3 to 4.4, and this low level is partially responsible for difficulties in meeting debts and the drop in consumer spending noted in the current recession. Lower interest rates are a factor now in discouraging some types of saving, while hopefully spurring some types of spending. In the deep recession of 1981-1982, the savings rates were 8.8 and 8.6, respectively.

DISPOSITION OF PERSONAL INCOME

Personal Consumption Expenditures

The total value of goods and services reaching the consumer through any channel is measured by the BEA in the National Income and Product Account. This value accounts for over two-thirds of Gross Domestic Product; and it is a carefully watched barometer of the nation's economic well-being.

Revised 1991 estimates place the total value of personal consumption expenditures in current dollars at $3,888.8 billion--3.9% over the 1990 total. In constant (1987) dollars, 1991 expenditures (-0.12%) were slightly below 1990.

PERSONAL CONSUMPTION EXPENDITURES BY MAJOR TYPES OF PRODUCT: 1990, 1991
(Billions of dollars)

	Current Dollars			Constant (1987) Dollars		
	1991(p)	1990	% Change 1991/90	1991(p)	1990	% Change 1991/90**
Personal consumption expenditures, total	$3,886.8	$3,742.6	3.8	$3,256.7	$3,262.6	- 0.2
Durable goods*	445.2	465.9	-4.4	412.5	438.9	- 6.0
Motor vehicles, parts	183.8	203.7	-9.8	167.6		-12.4
Furniture, household equipment	171.9	173.2	0.8	170.4	170.6	- 0.1
Other	89.5	89.0	0.6	74.5	76.9	- 3.2
Nondurable goods	1,251.0	1,217.7	2.7	1,042.3	1,050.8	- 0.8
Food	618.7	595.8	3.8	516.6	515.8	0.2
Clothing and footwear#	210.9	208.7	1.1	182.9	187.4	- 2.4
Gasoline and oil	102.9	106.8	-3.7	83.1	85.0	- 2.3
Other nondurable goods	11.6	12.5	-6.9	9.6	10.0	- 3.9
Fuel oil, coal	295.3	281.4	4.9	240.6	242.6	- 0.8
Services	2,190.5	2,059.0	6.4	1,801.9	1,773.0	1.6
Housing	574.6	547.1	5.0	478.8	474.5	0.9
Household operation	224.8	212.7	5.7	206.2	202.1	2.0
Transportation	155.9	147.6	5.6	128.3	129.0	0.5
Medical care	576.8	523.1	10.3	439.5	424.3	3.6
Other	658.4	628.4	4.8	549.1	543.0	1.1

(p) preliminary figures.
*Durable goods have a use life of 3 years or more.
**Percentages are calculated on data in millions of dollars.
# Classification includes sewing goods, luggage and military clothing.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Personal Consumption Expenditures (continued)

Personal consumption expenditures for women's and children's wear in 1991 amounted to $116.1 billion, 1.5% over 1990 (in current dollars), down 2.4% in inflation-adjusted (constant) dollars. Spending for men's and boys' wear was close to $60 billion, up 1.6% over 1990 in current dollars, down 1.5% in constant dollars. Footwear expenditures were reported at $31.4 billion in 1991, for a current dollar loss of 0.3%, a 3.2% loss in constant dollars. Following a 3.9% rise in infants' wear spending 1990/1989, the gain in 1991 was only 1.5% (current dollars), reaching $9.3 billion, indicating a loss of 1% in constant dollars.

The tapering-off in the formation of new households, the decline in home sales, the weak economy are reflected in declines in homefurnishings expenditures in 1991. Compared with 1990 (in current dollars), spending for furniture at $36.1 billion, down 3.9%; major appliances at $22.2 billion, down 2%; small electric appliances, at $4.3 billion, down 2.4%; floor coverings, at $11.2 billion, down 2.9%; home textiles, $1.7 billion, about even with 1990. Spending in the broad category of home entertainment products, personal computers, musical instruments amounted to $49.2 billion--close to 1% over 1990.

Projections

Information from the Bureau of Labor Statistics projections for 1990-2005 on various aspects of the U.S. economy has been included in foregoing sections of this FACT FILE (Labor Force, Employment, etc.). Published in detail in November 1991 by the BLS, there are three alternative projections on each aspect, based on different assumptions on underlying developments.

The BLS projections on total personal consumption expenditures anticipate little change in its share of Gross National Product (or the newer Gross Domestic Product (GDP) measure. Shifts in spending by major product categories, however, are expected.

Changing demographics will play a major role in emerging spending patterns--to a greater degree than in the past because of the aging of the large baby boom generation and to the small population cohort born in the birth-bust years 1975-1979. For example, a marked slowdown in new entrants to the driving age population indicates relatively flat new car sales; while a larger older population might tend to buy larger, higher-value cars.

Spending on furniture, other durable goods, and clothing is expected to grow much more rapidly than overall consumption between 1990 and 2005, according to the BLS. The continued availability of new consumer electronics, as well as growth in sporting goods, contribute to the growth scenario. The growing emphasis on energy conservation is expected to result in a decreasing share of consumption expenditures in this classification.

DISPOSITION OF PERSONAL INCOME

Projections (continued)

Following is a summary covering the three growth projections on major types of spending, compared with average annual changes in 1975-1990. It should be kept in mind that 1975 was the second year of a deep recession, which affects the rates in that base period. The BLS points out that 1973-1990 and 1979-1990 are generally accepted to be nearer the trend line of long-term growth, and has published constant dollar growth rates on total personal consumption expenditures for these periods: 2.8% and 2.7%, respectively.

It is also noted by the BLS that the U.S. economy was in a recession when the projections were compiled (1990). It has not been determined how this continuing recession will affect the 1990-2005 rates of change.

PROJECTED ANNUAL DISTRIBUTION AND RATES OF CHANGE IN PERSONAL CONSUMPTION EXPENDITURES MEASURED IN CONSTANT DOLLARS

	Percent Distribution					Average Annual Rate of Change			
			2005				1990-2005		
	1975	1990	Low	Moderate	High	1975-90	Low	Mod.	High
Personal consumption	100.0	100.0	100.0	100.0	100.0	3.0	1.7	2.3	2.9
Motor vehicles, parts	5.3	6.6	6.2	6.7	7.1	4.6	1.3	2.4	3.4
Furniture, clothing, other durables	11.8	15.8	16.8	17.4	17.7	5.0	2.1	3.0	3.7
Fuel oil, gasoline, natural gas	8.2	5.1	4.2	4.1	4.0	-0.1	0.4	0.7	1.1
Food, other nondurables	27.7	23.3	21.4	20.6	20.1	1.9	1.1	1.4	1.9
Housing	15.5	14.1	13.7	13.2	12.6	2.4	1.5	1.9	2.2
Electricity	2.2	2.1	2.1	2.0	2.0	2.9	1.6	1.9	2.5
Other services	29.3	33.0	35.5	35.9	36.5	3.9	2.4	2.9	3.6

Source: Bureau of Economic Analysis and Bureau of Labor Statistics (Monthly Labor Review, November 1991)

RETAIL SALES

December 1991 retail sales (seasonally adjusted) gained a better than expected 1.6% over December 1990, bringing the total for the year to an estimated $1,821,524 million according to a preliminary Census Bureau report. Excluding the automotive group, total retail trade in 1991 was estimated at $1,447,043 million, for a gain of 1.5% for the year, including a 1.0% rise in December seasonally adjusted sales compared with December 1990.

ESTIMATED SALES THROUGH RETAIL OUTLETS BY MAJOR OUTLET TYPE: 1990, 1991
(Sales in millions of dollars)

	1991	Sales (p) 1990	% Change 1991/90
Retail trade, total*	$1,821,524	$1,807,219	0.8%
Excluding automotive group	1,447,043	1,425,258	1.5
Durable goods group, total*	644,832	654,767	- 1.5
Building materials, supply stores hardware stores, etc.	92,676	92,524	0.2
Automotive dealers, auto & home supply stores, etc.	374,481	381,961	- 2.0
Furniture, home furnishings stores*	90,059	92,983	- 3.1
Furniture stores	28,259	29,998	- 5.8
Floor covering	11,888	12,290	- 3.3
Household appliance stores	9,743	10,326	- 2.3
Radio and television stores	22,553	22,689	- 0.6
Sporting goods, bicycle shops	14,819	14,258	3.9
Book stores	7,923	7,292	8.7
Jewelry stores	13,785	14,402	- 9.4
Nondurable goods group, total	1,176,692	1,152,462	2.1
General mdse. store groups	217,566	211,933	2.7
Dept. stores (excluding leased departments)	177,308	170,745	3.8
Conventional dept. stores including leased departments	53,156	53,565	- 0.8
Discount department stores including leased departments	92,097	84,622	8.8
National chain department stores including leased departments	37,227	37,824	- 1.6
Variety stores	7,276	7,097	- 2.5
Misc. general merchandise stores	33,161	33,912	- 2.2
Food group stores	370,565	362,510	2.3
Grocery stores	346,307	338,661	2.3
Gasoline service stations	128,463	131,725	- 2.5
Apparel & accessory stores	95,626	94,731	0.9
Men's & boys' wear stores	9,177	9,534	- 3.7
Women's wear stores	32,795	33,122	- 1.0
Family clothing stores	29,834	28,005	6.5
Shoe stores	17,562	17,890	- 1.8
Eating & drinking places	189,475	182,044	4.1
Drug & proprietary stores	74,874	68,557	9.2
Liquor stores	21,428	20,813	3.0
Nonstore retailers	50,232	50,263	- 0.1
Mail order houses (dept. store merchandise)	4,479	4,739	- 5.5

(p) preliminary.

* Totals include retail outlet types not separately listed.

Source: U.S. Bureau of the Census: Monthly Retail Trade, December 1991